



# ***Daily Report***

## **East Asia**

FBIS-EAS-95-155  
Friday  
11 August 1995

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# Daily Report

## East Asia

FBIS-EAS-95-155

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**Article on U.S., PRC Influence on ASEAN**

OW1008020895 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 5 Aug 95 Morning Edition p 1

[Article by editor Sendo Izumi]

[FBIS Translated Text] At the ASEAN forum held in Brunei, the post-Cold War structure in the Asia-Pacific region became conspicuous. With Vietnam becoming the seventh member of this association, for the first time China has an ASEAN member on its borders. On the other hand, the United States indicated its stance on "returning" to the South China Sea — the ocean symbolized by the Spratly Islands dispute — and normalized its diplomatic ties with Vietnam.

While the two superpowers, the United States and China, are facing each other in the Asia-Pacific region, Japan is forced to formulate and implement its new policy toward Asia.

**"Reverse Domino" Phenomenon**

In the midst of the Cold War, the United States employed the "domino theory" to justify its containment policy over the communist bloc. This is a theory that if one nation becomes a communist state, neighboring nations will also as if they were falling dominoes. The idea was indeed created based on an assumption that Southeast Asia was the area vulnerable to becoming communist. However, ironically enough, a "reverse domino phenomenon" is emerging after the end of the Cold War.

The beginning is Vietnam's participation in ASEAN. No one should diminish the significance of this event by simply saying that ASEAN, which was inaugurated as an "anti-communist alliance" in August 1967, finally swallowed a communist state. If the "ASEAN 10" concept materializes and three other Asian nations including Cambodia join this association, it means that not only Vietnam, but also Laos and Burma will become ASEAN members who share borders with China.

As for China, ASEAN's northward expansion may not be comfortable, because it is obvious that the United States is behind this move.

"This is an event with historic significance." Vietnamese Foreign Minister Nguyen Manh Cam deliberately used English when giving a speech at the ASEAN-joining ceremony held in Brunei on 28 July. He also spoke in English in his 31 July talks with Yohei Kono, the deputy prime minister and foreign minister. Foreign Minister Cam, who is the former ambassador to the Soviet Union and who speaks fluent Russian and French, has taken intensive English lessons over the past year to prepare for his nation's participation in ASEAN. This

episode is another sign of U.S. influence in addition to the normalization of diplomatic ties between the United States and Vietnam.

**Seed of Trouble: "Spratly Islands"**

U.S. Secretary of State Warren Christopher, during a series of ASEAN meetings held in Brunei, showed strong interest in "the Spratly Islands," which China claims to possess. At the fall of Saigon 20 years ago, the United States lost Cam Rahn Bay, a strategic point in South Vietnam at that time. Although the Subic Bay Navy Base in the Philippines played an important role in keeping an eye on Cam Rahn Bay, which later became a Soviet military base, the end of the Cold War prompted the United States to withdraw its troops. But now the nation is demonstrating its active intention to interfere in affairs in the South China Sea.

Besides China and Taiwan, some ASEAN nations such as Vietnam, the Philippines, Malaysia, and Brunei have claims on the Spratly Islands. This means the Spratlys would be a source of discord between China and ASEAN. However, there is a possibility that Vietnam's joining ASEAN and its restoration of diplomatic ties with the United States could actually become a new seed for U.S.-Sino dispute. In the chairman's statement issued at the second ASEAN Regional Forum (ARF), which foreign ministers from Japan, the United States, and China attended, "concerns over overlapping sovereignty claims in the region" were included.

The end of the Cold War ignited territorial disputes over land and water in the Asia-Pacific region, where the economy is rapidly developing beyond national borders. Since the end of World War II, China has never declared that it would settle with its current national borders. Tokyo University Professor (international politics) Takehiko Kamo points out: "The collapse of the Soviet Union set China free from various restrictions and constraints. It would be no wonder if China gains great power and engages in cutthroat competition with the United States." The Spratlys may only be the beginning of such a situation.

On 10 May, former Prime Minister Kiichi Miyazawa, who visited San Francisco to attend an international affairs conference at Stanford University, met with his old friend, former German Chancellor Helmut Schmidt.

Schmidt: "Between 2015 and 2020, China's population will reach 1.5 billion and the nation will become a great economic power. At this point, I think Japan has a cultural complex towards China. On the other hand, China has technological complex regarding Japan. What will the situation be like at that time?"



Miyazawa: "Japan may still have a cultural complex towards China."

Schmidt: "It is likely that China will overcome its technological complex. It will not be a comfortable situation for Japan, whose population is, I suppose, approximately 130 million, to have a neighboring nation with 1.5 billion people. But I believe that Japan will never become a military power."

#### **China's Participation Is Necessary**

This conversation between these two former leaders does not mean they subscribe to the so-called "China-as-military-threat argument." What Japan should do is take an active role in incorporating China into a multilateral framework, such as the ARF held in Brunei, rather than attempt to contain this communist nation.

"For sound development of regional cooperation, it is important for our good partner China to make further efforts to participate in regional cooperation," Foreign Minister Kono stressed at the expanded ASEAN foreign ministerial meeting on 2 August. To establish prosperity and stability in the Asia-Pacific region, Japan, the United States, and China must have closer ties than ever so that the new significance of the Japan-U.S. security treaty can be discovered. In this sense, responsibility is great for Japan, a host nation of the next Asia Pacific Economic Cooperation (APEC) forum, to create a broader multilateral discussion arena in Osaka in November.



## Japan

### Envoy Cautions Politicians on Wartime Remarks

OW1008110895 Tokyo KYODO in English  
1007 GMT 10 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 10 KYODO — South Korea's ambassador to Tokyo, referring to Education Minister Yoshinobu Shimamura's remarks questioning the need for Japan's repeated apologies over its wartime role, urged Japanese politicians Thursday [10 August] to be cautious when commenting on their nation's past, a Foreign Ministry official said.

In a meeting with Vice Foreign Minister Sadayuki Hayashi, Kim Tae-chi also asked the ministry to be careful about such matters, the official said.

Hayashi explained developments surrounding Shimamura's remarks, such as the minister's retraction of his remarks and his meeting with Chief Cabinet Secretary Koken Nosaka earlier in the day.

He told Kim that Japan intends to squarely face its past role, as was pledged by Prime Minister Tomiichi Murayama when he assumed his post.

The official quoted Hayashi as telling Kim that he hopes Seoul will act with restraint regarding this matter.

Kim reportedly replied that he will convey Tokyo's stance to South Korea and that he will try to keep the latest development from expanding further.

Shimamura, a Liberal Democratic Party (LDP) politician, told a press conference late Tuesday that he wonders whether it is good for Japan to repeatedly apologize for wartime aggression.

He later retracted the remarks, saying what he had meant was that it is important to make atonement as "successive prime ministers had expressed apologies and remorse." However, his remarks caused an uproar in South Korea.

Murayama acknowledged in his inaugural speech last summer that Japan imposed great suffering on people in Asian countries during Japan's act of aggression during the war.

### Toshiba Sets Up Fully Owned Subsidiary in China

OW0908062795 Tokyo KYODO in English  
0612 GMT 9 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 9 KYODO — Toshiba Corp. said Wednesday [9 August] it has established a fully owned subsidiary in Beijing to supervise and support its growing business operations in China.

The subsidiary, Toshiba (China) Co., capitalized at 30 million U.S. dollars, is assisting in the parent firm's investment in China, and helping in procurement.

It is also supervising the balancing of foreign exchange among other Toshiba units operating in China under agreement of the Chinese authorities, the parent firm said.

Other functions include taking charge in advertising, sales and marketing, along with recruitment, trading and business consulting, it added.

Toshiba says it now has four manufacturing sites in China and three more are scheduled to start operation in the near future.

The company's total investment in China amounts to more than 17 billion yen.

Toshiba says it wants to strengthen its business setup in China as that country continues to emerge as an economic power and major market.

### Group To Be Set Up for Imports, Other Studies

OW0908161795 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 7 Aug 95 Morning Edition p 3

[FBIS Translated Text] In response to a rapid rise in imports, the Ministry of International Trade and Industry [MITI] began preparations to set in place urgent import safeguards and impose antidumping tariffs, while seeking to avert a corresponding expansion of trade friction with exporting countries. In addition to setting up in October the new Trade Investigation Division, charged with handling these problems, MITI will organize a study group within the ministry to investigate such instances as actual cases of European and U.S. import restrictions. It particularly views the import of textile products from Asia as having a serious impact on domestic employment and is requesting a "textile product safeguard investigative measures fund" in the FY96 budget.

Since there has been strong criticism from overseas of Japan's trade surplus, MITI has heretofore been cautious about instituting measures linked to import restrictions. However, the flood of cheap imports is adversely affecting such sectors as the textile industry. Therefore, the ministry has switched to a policy which will put import restrictions within the bounds established by the trade rules of the World Trade Organization (WTO).

Beginning in August, the Japanese Government successively imposed safeguards on imported frozen beef and antidumping tariffs on Pakistani cotton. Although this was carried out in accordance with WTO rules, there is still a fear that this will develop into trade friction



as seen in the wording of the complaint filed by Pakistan with the WTO. MITI views handling the increasing number of textile product imports from China and elsewhere as the biggest problem currently pending. Domestic industry is crying out for the emplacement of safeguards, but the ministry, knowing the inevitable political repercussions with exporting countries, is prudently moving forward with a study of the problem.

The Trade Investigation Division, which will be set up in the International Trade Administration Bureau, will be responsible for studying retaliatory measures, such as antidumping tariffs, subsidies, or off-setting tariffs (in response to unfairly subsidized exports), and other safeguards, along with conducting the preliminary investigations supporting such measures. The Inspection Design Administrative Office will be closed upon the formation of the new division. Furthermore, a "trade management system research group," composed of experienced scholars and businessmen, will be organized to study such issues as the criteria used by Western countries in applying import restrictions.

MITI will request a total of tens of million of yen in next fiscal year's budget for studying safeguards and antidumping tariff measures as well as the impact on domestic industries of the rapid increase in imports.

#### **Hashimoto on Declining Yen, Other Issues**

*OW1108073095 Tokyo KYODO in English  
0342 GMT 11 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 11 KYODO — Trade Minister Ryutaro Hashimoto welcomed Friday's [11 August] continued yen decline and hinted he wants it to fall at least to 100 to the dollar to help hard-pressed small and midsize firms.

Announcing to a regular news conference after a morning cabinet meeting that the yen had retreated to the 93-to-the dollar zone, the Ministry of International Trade and Industry (MITI) chief said the decline "makes me smile."

Asked how far he wants the yen to fall against the dollar, Hashimoto said he hopes it will fall to near the break-even line for small and midsize exporters, as expressed in a March survey.

That MITI survey found exporters breaking even at an average of 110 yen, with the largest number between 100 yen and 105 yen.

Hashimoto added that a yen at such a lower level, while good for exporters, would put pressure on electric power companies, which have recently trimmed rates a bit to reflect their increased ability to buy foreign energy supplies on the yen's strength.

Hashimoto said Education Minister Yoshinobu Shimamura explained to cabinet members his earlier remarks on Japan's World War II role, which has caused a fresh firestorm of Asian protest, but the MITI minister did not comment further on the remarks.

He said he agreed with an instruction by Prime Minister Tomiichi Murayama for cabinet members to be careful about what they say about the war.

In a seeming ritual for Japanese cabinet members, Shimamura told a news conference after Tuesday night's cabinet reshuffle that he doubts the effectiveness of repeated apologies for wartime actions and that it is a matter of interpretation whether Japan waged aggressive war. He later said he was trying to indicate a stance of putting the war behind and looking to the future.

Hashimoto noted that the Diet has recognized that Japan committed aggression in China and that it colonized the Korean peninsula, but he did not further characterize Japan's actions.

Asked his opinion of the Diet's war-renouncing resolution, he cited the experiences of two Filipinos he has met and their attitudes of facing the future without forgetting the past.

A Philippine Air Force captain he met in 1970, whose father was killed by the Japanese Imperial Army, told Hashimoto he could never forget his hatred of Japan but that he kept it separate from his official duties.

Hashimoto also cited a Filipino veteran he met who said that while bearing pain in his heart for a long time, he wants to seek friendly relations.

"Each of these people, with his own ideas, wants to resolve the various problems that arose in World War II," Hashimoto said. "They are all important."

Hashimoto said he will visit Yasukuni Shrine on Tuesday in his official capacity as head of the Japan War-Bereaved Association.

The annual visits to pay respect to Japan's war dead are controversial because Yasukuni enshrines some who were executed as war criminals and because the visits raise the question of the constitutional separation of religion and state.

Cabinet ministers are ritually questioned by the press as to whether they are visiting as private citizens or in their official capacities as ministers of state.

Hashimoto skirted the religion-state issue, saying only that attending the Shinto ceremony as the association chief is "the decided form."



He was also evasive about whether he will challenge foreign minister Yohei Kono in next month's race for Liberal Democratic Party (LDP) president. Party officials have told KYODO NEWS SERVICE that Hashimoto told fellow members of Keizo Obuchi's LDP grouping that he intends to make the widely expected challenge to Kono's reelection bid.

"It may become necessary for me to organize my thoughts and express them," Hashimoto said, adding that it was not the place to do so now. He rejected a reporter's suggestion that his answer means he plans to throw his hat into the ring.

#### **EPA Head Urges Economic Structural Reform**

OW1108091895 Tokyo KYODO in English  
0821 GMT 11 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 11 KYODO — Japan's new economic planner said in a recent interview with KYODO NEWS SERVICE that in his structural reform of the domestic economy he will focus on improving the living standards of the Japanese public.

Isamu Miyazaki, 71, former vice economic planning minister, was named director general of the Economic Planning Agency in a cabinet shakeup carried out by Prime Minister Tomiichi Murayama on Tuesday [8 August].

Stressing the need for structural reform of the domestic economy, Miyazaki said he will also emphasize improving the social infrastructure by consolidating information and telecommunication network.

He said the yen's appreciation, which has jeopardized employment security, can be overcome with economic deregulation.

"The economic deregulation will create new business opportunities and improve job security although it will require sacrifice in the short run," he said.

Miyazaki expressed hope that the domestic economy will move onto a recovery track very soon as 22 months have already passed since it bottomed out.

He said both public and private sectors should join forces to bring the economy out of the slump because medium and long-term problems cannot be tackled while the economy remains stagnant.

Miyazaki said that although many contracts for public works projects have been signed and funds front-loaded, there has been little progress in carrying out the planned projects. If more progress is made on the projects, the economy will be stimulated, he added.

He said he will work out details of another supplementary budget for fiscal 1995, which began April 1, after

reviewing economic data, including a quarterly survey by the Bank of Japan, due out in September.

Commenting on the financial straits of the housing loan industry, Miyazaki said it is natural for the management of the companies to take primary responsibility for problems.

However, steps should be taken to help the industry while keeping in mind the stability of the financial system as a whole, he said.

#### **EPA To Seek Economic Stimulus Package**

OW1108100295 Tokyo KYODO in English  
0810 GMT 11 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 11 KYODO — The Economic Planning Agency (EPA) will seek formulation of a comprehensive package of stimulus measures for the economy before a supplementary budget for fiscal 1995 is drafted, a senior official said Friday [11 August].

EPA Vice Minister Makoto Kobayashi told reporters he considers it "natural" to work out an economic package ahead of a supplementary budget.

Kobayashi said the package is designed to bolster stimulus measures enforced in April and June and will focus on public works projects and development of new business areas as well as aid to small enterprises.

He said the package will not include ways for financial institutions to dispose of bad loans because the government will not have enough time to study them as the Financial System Research Council will come up with an interim report on the matter on Sept. 21.

A tax reform scheduled for fiscal 1996 is likely to focus on real estate transactions, he said.

#### **Survey Finds Consumers Benefiting From High Yen**

OW1108081795 Tokyo KYODO in English  
0738 GMT 11 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 11 KYODO — More than 70 percent of Japanese consumers seem to be benefiting from the yen's appreciation on the foreign exchange market, the Economic Planning Agency (EPA) said in a survey released Friday [11 August].

The EPA said the survey's results reflect a downward trend in the prices of imports stemming from the strong yen.

The survey was based on questionnaires mailed to 4,200 EPA consumer price monitors nationwide from late June to early July, agency officials said.



Of the respondents, 4.1 percent said they benefited from the strong yen "to a great extent" and 66.8 percent said they did so "to a degree." On the other hand, 22.8 percent said they did not do so.

A survey on imported goods, allowing multiple answers, showed that 78.8 percent sought more information on the safety and quality of imports.

It also showed that 55.6 percent felt the labeling on imported food should show the country of origin and date by which it should be eaten.

#### **Expert Says Nation Losing 'Economic War'**

*OW1008171395 Tokyo ASAHI SHIMBUN  
in Japanese 6 Aug 95 Morning Edition p 4*

[By Naoki Tanaka, freelance economic commentator: "What is Questioned Now? Handling of 'Defeat in the Economic War'"; from the "Opinion and Commentary" column]

[FBIS Translated Text] We were rather fortunate that we had the time. On 31 July, the Tokyo Metropolitan Government ordered Cosmo Credit Corporation [CCC], which suffered liabilities exceeding its assets, to suspend business operations. Although depositors had withdrawn their money one after another from the previous day, people's unrest about the entire financial system did not heighten. This is because Japanese stocks and yen-based financial assets did not fall in the international community's estimation despite the CCC's trouble.

#### **Operations of Financial Institutions Should Be Suspended if Their Liabilities Are Likely To Exceed Their Assets**

Individual citizens are now faced with a situation in which they can "choose banks and not stability of the financial system." I believe that an ad hoc administrative committee should be formed by enacting a law with a time limit (for example, until the year 2000) to recover stability in the financial system, and to eliminate people's apprehension about the financial system at a stroke. The framework of the law would be concentrated in the following six points:

- 1) Efforts should be made to establish an administrative committee to supervise and monitor the business operations of all financial institutions that handle deposits. Committee members should be selected from experts in banking, securities, real estate, and law;
- 2) The committee can order those financial institutions whose liabilities are likely to exceed their assets to suspend operations;
- 3) An organization in charge of liquidation should be set up under the administrative committee so that

the committee will have all jurisdiction, including repayment of deposits. The liquidation body should keep special accounts to clarify liquidation expenses and should have authority to ask the government to issue special national bonds if necessary;

- 4) In an effort to lighten people's burden, the liquidation organization should have jurisdiction to dispose of its outstanding credits in the most efficient way. The liquidation body will receive priority to sell secured credits separately;

- 5) As is clear in overseas cases, most executives of failed banking institutions are suspected of breaching laws and trust. Therefore, the committee should be required to submit reference materials about the state of management of failed organizations to the concerned judicial authorities; and

- 6) In assisting bankrupt financial organizations' reconstruction, the committee should be responsible for assigning them tasks, such as streamlining and specializing operations.

#### **Clarify the Amount of Liquidation Burden on the People**

Why is enacting the law with a time limit needed to dispose of bad loans? One of the reasons is that banking institutions which handle deposits have delayed supervising and dealing with this issue.

At present, the following institutions handle deposits: city banks, the Long-term Credit Bank, trust banks, regional banks, member banks of the Second Association of Regional Banks, credit unions, laborers' banks, and agriculture and forestry banks. Several financial institutions affiliated with cooperative associations, such as agricultural cooperatives, have not strictly supervised their funds. Therefore, the administrative committee should have jurisdiction, for the time being, to eliminate unrest about the financial system. It is too late to discuss now what kind of steps the Ministry of Agriculture, Forestry, and Fisheries and local governments should take to monitor banking institutions.

Another reason for enacting the new law is the necessity to clarify the amount of costs that people ought to bear directly to dispose of bad loans. We have entered the era when individuals engaged in economic activities should be aware of the self-liability principle.

In an effort not to obscure this principle, it is necessary to disclose the amount of additional costs people are forced to bear to eliminate financial unrest. It is desirable that by the time the administrative committee, which is formed with a time limit based on the law, fulfills its tasks, people will be aware of their obligation to bear



the cost of wiping out bad loans as well as the self-liability principle for the next generation.

**The Seven Housing-Loan Companies Will Be Left Holding the Bag After the Collapse of the 'Bubble Economy'**

How should we consider the present economic situation? I think that 50 years after the war's end, we are now faced with another defeat, an "economic defeat," so to say. Due to the prolonged zero-growth economy, burdens on the national treasury have been sharply increasing. The outstanding amount of national bonds is likely to increase by about 50 trillion yen from 1992 to 1995 if the second supplementary budget for this fiscal year is taken into consideration. In view of the fact that the amount of outstanding government bonds issued from 1988 to 1991 increased by 20 trillion yen, it can be said that a difference of 30 trillion yen was spent to deal with the "economic defeat." Furthermore, the expenses of liquidating failed banking institutions will be added to this.

However, these are issues involving only the national treasury. Regarding the employment situation, employment opportunities for middle- and advanced-aged males, and young females, in particular, have dropped. At the same time, due to the prolonged zero-growth economy, the amount of the current account surplus has expanded, and Japan has suffered from the yen's sharp appreciation. As the rise in the surplus of the current account balance has directly increased Japan's overseas assets, exchange losses have reached over 30 trillion yen. Such circumstances have already affected disbursement of life insurance.

During the so-called bubble economy in the late 1980's, extensive efforts were made to purchase land. People made many deals for land, not to use it but to sell it. Financial organizations increased operations in this sector. By the time they understood the self-evident truth that not everyone could continue to sell land, it was too late for them to find new buyers. The bursting of the bubble economy is the main reason for the sharp expansion of bad loans.

The situation surrounding housing loan companies frankly symbolizes the economic defeat. It seems that the seven housing loan companies are forced to play the historic role of dealing with the aftermath of real estate investments which were made during the bubble economy period. Even if those housing loan companies that have liabilities in excess of assets are liquidated, another issue will surface. That is, financial institutions that have provided funds to those companies will be faced with the question of how they should share losses with each other.

It is natural that those banks that established housing loan companies should forgive their claims. However, the problem is that there is a fear that agriculture and forestry financial institutions, such as the Federation of Trust Agricultural Cooperatives (FTAC), which hold over 40 percent of outstanding credit, will go bankrupt. If FTAC fails to repay the agricultural cooperatives' deposits, the cooperatives will then have difficulty in repaying savings to customers.

**If Financial Institutions Fail To Assume Responsibility, Their Fund Management Should Be Restricted**

The following is my proposal. In a bid to prevent the sudden withdrawal of savings from the agriculture and forestry financial organizations, all of their nonperforming loans, which resulted from the liquidation of the housing loan companies, should be handed over to the liquidation body. The losses, which will remain even after the liquidation body recovers the bad loans transferred from housing loan companies, should basically be covered by issuance of additional national bonds.

However, this is not enough. The administrative committee should formulate a clear-cut policy regarding the following two points, and should prepare to implement it.

First, it is necessary to clarify the responsibility of parent banks. Why did the agriculture and forestry financial institutions increase the amount of loans to the housing loan companies when the bubble economy came to an end? Did the parent banks not provoke them to do so? We should shed light on these questions to formulate a guideline for sound bank performance in the future.

Second, efforts should be made to clarify the responsibility of creditors, such as FTAC. We live in an age in which depositors, to say nothing of investors, are required to assume self-liability. If creditors dare say they cannot assume their responsibility, certain steps should be taken to ban them from loaning out funds.

To maintain a sound financial system, only those organizations that can assume their responsibility as creditors should serve as lenders. Those institutions that cannot fulfill this obligation ought to restrict themselves to low-risk funds management, such as purchasing government bonds. The administrative committee must clearly present financial organizations with its policies, and urge them to reform their organizations.

In short, why did people have to bear the expenses of liquidation? In my opinion, it is because people did not correctly understand the concept of financial liberalization. Liberalization means that first, cooperations, and



then individuals can have dealings that are far more profitable than those in the past. Compared to trading in the preliberalization period, the margin of financial institutions' profit will decrease. Therefore, inefficient financial organizations will have no other choice but to suspend operations, and a decline in the total number of personnel engaged in financial services will also be unavoidable.

Considering overseas cases, it was obvious that liberalization means expansion of convenience for customers, and that those who provide services need to streamline. Financial liberalization started about 10 years ago. The reason for Japan's defeat in the economic war lies in our failure to confirm this principle at the very beginning of liberalization.

### **Banks Fear Losing in International Markets**

OW1108102195 Tokyo KYODO in English  
0959 GMT 11 Aug 95

[By Hideaki Kanazawa]

[FBIS Transcribed Text] Tokyo, Aug. 11 KYODO — Major Japanese commercial banks, reeling from huge bad loans, are concerned they may lose ground to their U.S. and European rivals in international competition in financial markets in the next century.

The burden of actively writing off nonperforming loans deprives the banks of much of the internal reserves they have amassed so far, especially in the era of high-flying "bubble" economy, analysts say.

Yuri Okina, a senior economist at Japan Research Institute, affiliated with Sumitomo Bank, said Japanese banks may be unable to play a leading role in a major shakeup in the financial arena in Europe and the United States.

"Japanese banks are likely to fall irreparably behind their European and U.S. rivals in the race to strengthen global securities business, including derivatives," Okina said.

There are fears that the banks may plunge to the league of minor players in the Asian market, concentrating only on syndicated loans to firms in the region as a result of the bad-loan woes, the economist said.

Big commercial banks, known as city banks, are unhappy with the severe public criticism of the use of public money to help financial institutions dispose of nonperforming loans.

"Even without public funds, major banks are strong enough to write off such loans," a spokesman for a major bank said.

Therefore, it is "unfair" that they are singled out as a target of such criticism, he said.

Some critics say salaries of employees at major commercial banks are "unreasonably high" relative to those of other industrial sectors.

But that kind of matter should be argued separately from the issue of a public-funded rescue of ailing smaller financial institutions such as Cosmo Credit Corp., bank officials say.

In fiscal 1994, 21 banks — comprising the 11 city banks, three long-term credit banks and seven trust banks — wrote off some 40 percent of the 12.5 trillion yen in nonperforming loans, according to financial sources.

That rate will increase further, taking into consideration the write-off of collateral-backed loans, the sources say.

In his recent speech, Yoshimasa Nishimura, director general of the Finance Ministry's banking bureau, emphasized the sound management of the 21 banks, assuring customers they will not be inconvenienced.

He estimates the total amount of loans deemed irrecoverable is relatively small at 10 trillion to 15 trillion yen out of some 40 trillion yen in overall bad loans held by the nation's financial institutions.

But industry analysts note that a possible disposal of loans to seven ailing housing-loan companies, which are seen holding 6 trillion yen or more in bad loans, is expected to weigh heavily on major banks' earnings for the next several years.

Major Japanese banks do not have the 100 billion yen level worth of funds necessary to purchase foreign banks, analysts say.

In stark contrast to the low profile of Japanese banks, U.S. and European financial institutions are actively on the prowl for targets for mergers and acquisitions.

Already this year, there have been four cases of reorganization in the European and U.S. financial world, with one example being the July acquisition of British major securities market-maker Smith New Court PLC by Merrill Lynch and Co. of the U.S., for about 530 million pounds.

Big European and U.S. financial institutions are seeking British banks and securities houses, which are strong in equities dealings in the City, London's financial district.

Japan Research's Okina says major Japanese banks will be tied up with the disposal of nonperforming loans for the next several years and thus will be unable to find a target in the City to take over.



Meanwhile, their counterparts in Europe and the U.S. appear to be keeping to their global strategy of participating in the lucrative securities business, Okina says.

A spokesman for Sanwa Bank shares Okina's concern, saying banks give priority to writing off bad loans which he describes as an "unfortunate inheritance" following the burst of the "bubble" economy of the late 1980s, even if they miss opportunities to expand in the securities business.

**Ministry Reports 'Normal' Rice Harvest for 1995**

*OW0808091595 Tokyo KYODO in English*  
*0843 GMT 8 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — Japan will harvest a normal level of rice this year due to recovery of favorable weather conditions after the rainy season, the farm ministry reported Tuesday [8 August].

The Ministry of Agriculture, Forestry and Fisheries said the report is based on a nationwide survey Aug. 1 that showed steady growth of the crop.

The survey showed that a normal harvest will be seen in 40 of the nation's 47 prefectures, while five prefectures in northern and central Japan will have slightly bad harvests, the ministry said.

In the southern prefectures of Kagoshima and Okinawa, the harvests will be slightly better than normal, the ministry said.

**Minister Sees No Need To Reduce Rice Paddies**

*OW0908121395 Tokyo KYODO in English*  
*1157 GMT 9 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 9 KYODO — New agriculture minister Hosei Norota said in an interview with KYODO NEWS SERVICE Wednesday [9 August] he sees no need for large-scale rice farmers to reduce their acreage.

Norota, who assumed duties as minister of agriculture, forestry and fisheries in a cabinet reshuffle Tuesday, said acreage reduction policies have obstructed the development of large-scale farming in Japan.

He made the remark in reference to a selective rice acreage reduction policy to be introduced under the new food control law to take effect in November this year.

"There is no need for farmers engaging in large-scale farming to comply with rice acreage reduction," said the 65-year-old politician of the Liberal Democratic Party (LDP), who is a member of the House of Representatives.

Expressing concern over the shrinking farming population, Norota said the government must implement a policy aimed at fostering large-scale farming.

The government has implemented a uniform acreage reduction policy since 1971 to prevent a rice glut.

Under the policy, 850,000 hectares of rice paddies, accounting for more than 30 percent of total acreage, were made idle or converted for other production in 1990.

The planned reduction, however, was eased in 1994 following 1993's poor rice harvest, one of the worst in the postwar period.

Norota said land left idle by people who quit farming should be turned over to more aggressive growers.

With annual income for a farmer with 20 hectares of rice paddies averaging about 15 million yen, few farmers will consider abandoning the calling, he said.

**Norota Retracts Earlier Comment**

*OW1108053995 Tokyo KYODO in English*  
*0427 GMT 11 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 11 KYODO — Agriculture Minister Hosei Norota retracted Friday [11 August] a comment he made earlier that there is no need for large-scale rice farmers to reduce their acreage.

"I didn't express myself adequately. We do need cooperation from large-scale rice farmers in order to adjust general rice production," he said.

The new minister, in an interview with KYODO NEWS SERVICE on Wednesday, had said, "there is no need for farmers engaging in large-scale farming to comply with rice acreage reduction."

The government's policy since 1971 has been to uniformly reduce rice production to prevent a rice surplus.

Norota emphasized, however, that there is no change in his ministry plan to foster farmers with large-scale farms of around 20 hectares.

**Bulk of Rice Imports for Confectionery Use**

*OW1008120495 Tokyo KYODO in English*  
*1145 GMT 10 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 10 KYODO — Japan may channel the major part of its 300,000 tons of rice imports into the processed rice product industry, including confectionery, rather than allow it to be consumed as an everyday staple, a senior farm ministry official suggested Thursday [10 August].



Hirofumi Ueno, vice minister at the agriculture, forestry and fisheries ministry, told a news conference the ministry "wants to replace imports of 'choseihin' with new rice imports" under the general rice import system.

Choseihin refers to a category of products such as rice powder mingled with sugar or other edible materials.

Japanese rice cake confectionery makers annually import a large volume of such low-cost rice powder, as a law bars unqualified businesses from importing rice itself. They remove sugar and other artificially mingled ingredients from rice powder with a centrifugal separator.

Under Japanese regulations, such rice powder products in which other ingredients like sugar account for more than 20 percent are eligible for import as "choseihin" — not as rice.

Thus, confectionery makers have to import such products to bypass a ministry ban on imports of foreign rice by unqualified importers.

Ueno was responding to questions on how Japan will use the 420,000 tons of rice it plans to import this year in keeping its vow to partially open its rice market to foreign producers under a 1993 multilateral trade agreement.

Under a general agreement on tariffs and trade (GATT) liberalization deal, Japan pledged to give a 4 percent share of the 420,000 ton portion of its rice market to foreign farmers in 1995.

Ueno said Japan will channel 100,000 tons of the 420,000 tons into official stockpiles.

As for the remaining 300,000 ton portion, Ueno said, "Although some will be consumed as staple food, there is a possibility that this portion will consist of low-priced imports which it might be difficult for us to supply to the domestic market smoothly."

The ministry, therefore, wants the domestic processed rice product industry to use the low-priced imports for its own products, rather than continuing to import low-cost rice powder mingled with other ingredients, he said.

Ueno's comments reflects the ministry's desire to enable Japanese farmers to avoid competing with foreign suppliers of lower-priced imports in view of the fact that general rice supply has eclipsed demand due to last year's bountiful rice harvest, industry sources said.

However, the United States and Australia have asked Japan to allow imported rice to be supplied to Japanese consumers as staple food.

Under the new rice import mechanism that has made the food agency the virtual primary wholesaler, the agency

is empowered to buy all rice imports from trading houses and sell them to secondary private wholesalers.

The general import procedure — a major part of the new import mechanism — concerns all the rice imports except a tiny 5,600-ton portion which will be imported under the simultaneous buy and sell system.

Under the procedure, the agency is empowered to dictate the volume of rice imports and their brand names from each rice producing country, which the agency will accept from a group of 25 designated trading houses who pass strict qualification requirements.

#### **Imported Beef Said Popular Across Country**

*OW1008000695 Tokyo KYODO in English  
2308 GMT 9 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 10 KYODO — Imported "Japanese beef" has made a big hit across Japan since its debut earlier this year.

The beef, imported from California by Hirata Ranch of Sakata, Yamagata Prefecture in northern Japan, is sold through consumer cooperatives across the country.

Behind the popularity of the beef is its quality as well as reasonable prices.

"It sells out immediately because the quality is comparable to that of domestic products," said Hiroshi Yamanaka, an executive of Kyoritsusha, which operates consumer cooperatives in Yamagata Prefecture.

He boasts that the beef will wipe out the general perception that imported beef tastes mediocre although it is cheaply priced.

The secret of high quality is the use of Japanese methods in the entire process of raising the cattle.

According to Hirata Ranch, the cattle are raised in California with frozen sperm imported from Japan.

Overseas beef production has pushed down the price of beef Hirata Ranch imports to 300 yen per 100 grams, compared with more than 500 yen for comparable domestic products.

The ranch began to produce beef in the United States in 1991 when Japan liberalized beef imports.

"Our efforts to bring down production costs were limited in Japan so we decided to raise cattle in the United States," said Masaaki Abe, an official in charge of product development at the ranch.

We emphasize safety, including elimination of residual agricultural chemicals, Abe said. Only designated animal feeds are used to raise the cattle, which are raised by the same methods used in Japan, he added.



Kyoritsusha's Yamanaka said his consumer cooperatives are left with no option but to sell imported beef as well as domestically produced beef, in view of price gaps of over 30% between home and abroad.

He said that although consumers are concerned about the quality and safety of imported beef, they "don't have to worry about them at all."

But Abe is concerned the ranch's undertaking will have an adverse impact on the domestic beef industry.

"An increase in imports would lead to a hollowing-out of domestic producers," he said.

According to government data, Japan's beef imports soared to 580,000 tons in fiscal 1994 from 380,000 tons in fiscal 1990, aided by tariff reductions and the strong yen.

A tariff on beef, which stood at 70% in fiscal 1991, the first year of beef liberalization, was lowered to 50% for fiscal 1993 and fiscal 1994. The rate is to be cut eventually to 38.5% during the fiscal 1995-2000 period under Uruguay Round farm accords.

During the same period, domestic production also increased to 420,000 tons from 380,000 tons.

Fierce competition between low-priced imports and high-quality domestic products has helped boost overall domestic beef demand, said an official of the Ministry of Agriculture, Forestry and Fisheries.

But major Japanese trading houses have launched projects to produce Japanese beef overseas, raising concern over the hollowing-out of the domestic industry.

Hirata Ranch has succeeded in developing modestly priced "Kenran" brand beef in California.

Kashichi Nitta, vice president of Hirata Ranch, said the time will come when Japan's economic power weakens and it will be impossible for the country to buy the food it wants from the world.

Nitta said his ranch will thus continue domestic production while engaging in imports.

#### **Nosaka Cautions Shimamura on Remarks About War**

*OW1008021495 Tokyo KYODO in English  
0144 GMT 10 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 10 KYODO — Chief Cabinet Secretary Koken Nosaka cautioned Education Minister Yoshinobu Shimamura on Thursday [10 August] about his remarks questioning the need for Japan to apologize for its wartime aggression.

Nosaka, the top government spokesman, urged Shimamura to pay attention to his remarks so as not to cause misunderstanding, whatever the real meaning of his statement is.

Shimamura told Nosaka that what he really wanted to say was it is important to make atonement as "successive prime ministers had expressed apologies and remorse."

South Korea's Foreign Ministry issued a statement Thursday expressing concern over Shimamura's remarks, made shortly after he was named as education minister, and which drew an angry response from South Korean media.

#### **Shimamura Apologizes**

*OW1108050795 Tokyo KYODO in English  
0355 GMT 11 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 11 KYODO — Education Minister Yoshinobu Shimamura apologized Friday [11 August] for his remarks about Japan's actions during World War II that have caused outcry from South Korea and China, and withdrew them, government officials said.

"I apologize for hurting the feelings of South Korean and Chinese people with my remarks at a press conference early Wednesday," Shimamura said at a meeting of cabinet members.

"My view on the war is the same with that of Prime Minister Tomiichi Murayama as expressed in his Diet speech," he said.

Chief Cabinet Secretary Koken Nosaka also said he cautioned Shimamura over his remarks prior to the day's cabinet meeting and that Shimamura had apologized to him.

Nosaka told a press conference later that Shimamura had "withdrawn" his remarks.

Earlier, Murayama told cabinet members to observe cabinet policy in their statements on Japan's role in World War II following a controversy over Shimamura's remarks questioning the need for repeated apologies for Japan's wartime aggression.

"Once again, I'm asking you to adhere to cabinet policy," Murayama told a morning cabinet meeting.

Murayama personally staked his leadership of the current government on successful Diet passage in June of a "no-war" resolution offering repentance for Japan's wartime "acts of aggression and colonial rule."

But shortly after he was named as education minister Tuesday, and just two months after the resolution's



passage, Shimamura questioned the need for Japan to apologize for its wartime aggression, prompting a series of negative reactions from several Asian countries.

Also Thursday, North Korea's official KOREAN CENTRAL NEWS AGENCY severely criticized Shimamura, saying his remarks were an attempt to justify Japanese imperialism's war crimes.

The South Korean and Chinese Foreign Ministries have issued statements expressing concern over Shimamura's remarks.

#### **China's Understanding Sought**

*OW 108114795 Tokyo KYODO in English  
1011 GMT 11 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 11 KYODO — Japan on Friday [11 August] sought China's understanding over remarks by newly appointed Education Minister Yoshinobu Shimamura questioning the need for Tokyo to "repeatedly apologize" for its war role, Foreign Ministry Spokesman Hiroshi Hashimoto said.

Hashimoto told a press conference that Sumio Tarui, minister at the Japanese Embassy in China, met Chinese Foreign Ministry officials earlier in the day to explain Shimamura's remarks and the Japanese Government's stand.

Tarui explained the intended meaning of Shimamura's remarks, Hashimoto said, and that the education minister's view of Japan's war role coincides with what Prime Minister Tomiichi Murayama said in his inaugural speech.

Murayama has said that there was colonization and aggression by Japan and that Japan needs to apologize to its neighboring Asian countries for causing great suffering.

Shimamura told a midnight press conference Tuesday soon after being appointed to the new Murayama cabinet that he wonders if it is right for Japan to "continue apologizing" for its wartime past.

He later retracted the remarks but South Korea, China and North Korea reacted strongly against them.

#### **Kono, Hashimoto To Unveil Policies Before Poll**

*OW1008130495 Tokyo KYODO in English  
1234 GMT 10 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 10 KYODO — Liberal Democratic Party (LDP) President Yohei Kono and his widely expected rival, Trade Minister Ryutaro Hashimoto, are preparing to unveil their policy proposals ahead of the party's presidential election set for late September, LDP sources said Thursday.

Kono, seeking reelection for a second two-year term, will present a set of mainly economic policy proposals when he formally announces his candidacy for the presidential race around Aug. 26 after he returns from a visit to Australia, the sources said.

Kono, also foreign minister, will announce highlights of the policy proposals at a meeting of a group of LDP lawmakers who support him scheduled for Aug. 24, they said.

The proposals will include a cut in the tax on profits from land transactions or other economic stimulus measures as well as promotion of administrative reforms, the sources said.

Kono's only rival in the race, international trade and industry minister Hashimoto, will make public his intention to run in the Sept. 22 election around Aug. 21, the sources said.

Hashimoto will also announce his own policy proposals which will focus on party reforms, economy-boosting measures and diplomacy, placing more weight on Asia, they said.

Hashimoto is also scheduled to attend a Japan-Australia ministerial meeting Aug. 25-26 along with Kono.

Meanwhile, Toshio Komoto, who previously headed an LDP faction, threw his weight behind Kono in the party presidential election, other party sources said.

Komoto reportedly told Kabun Muto, chairman of the LDP Executive Council, that he has already decided to back Kono.

Komoto also said Hashimoto has little chance of winning the election, according to the sources.

LDP Secretary General Hiroshi Mitsuzuka, the leading supporter of Kono, also visited Komoto to discuss party management.

Komoto told Mitsuzuka to "do as you think right," and Mitsuzuka responded by saying he would seek "just and open management of the party," the sources said.

#### **LDP, SDPJ Politics Reportedly Melting Down**

*952B0180A Tokyo THIS IS YOMIURI in Japanese  
Jun 95 pp 184-187*

[Article by Taro Yayama, political commentator]

[FBIS Translated Text] The politically nonaffiliated class has growled, voting in Mr. Yukio Aoshima as governor of Tokyo prefecture and Mr. Nokku Yokoyama as governor of Osaka prefecture. This bespeaks a rejection by the masses of the existing parties and of a rejection of



bureaucratic government. Moreover, the Liberal Democratic Party [LDP] and the Social Democratic Party of Japan [SDPJ] suffered an unexpected defeat in local assembly elections, which can be taken as evidence that the people do not recognize the legitimacy of the LDP-SDPJ coalition government. The metropolitan elections are said to indicate future political trends, and here both the LDP and SDPJ appear to be undergoing meltdown.

In the last 20 years, local government has been firmly under ruling party administration. This time around, the LDP was joined by Komeito, while in Osaka every party except the Japan Communist Party joined together to support a former bureaucrat. Past experience should have dictated the common-sense pattern for both Tokyo and Osaka. So why was this scenario so completely off base? The reason why parties want to become the ruling party is, frankly speaking, because they can get a few concessionary interests flowing their way. They place retired bureaucrats at the top of their voting tickets because bureaucrats can be expected to pretend not to see the close adhesion between politicians and the business world. This adhesion in local politics between politicians, bureaucrats, and businessmen reflects the adhesion seen in politics at the national level. The people had for a long time felt that this state of political affairs smelled suspicious. In national politics, there were a number of scandals such as Recruit, Kyowa, and Tokyo Sagawa Kyubin, while at the local level there was a whole series of bribery cases where governors and mayors were arrested, in such places as Miyagi and Ibaragi prefectures, and Sendai city. The people came to believe that these incidents were just the tip of the iceberg. So it was natural for calls for political reform to grow more strident, and political reform that included reform of the electoral system was actually realized. The reform of the electoral system launched the beginnings of a political realignment that is still going on. These latest unified local elections, therefore, must be taken as being part of this on-going political realignment.

The passage of the Political Reform Law at the end of January 1994 determined the direction of political realignment. The newly created single-seat district with proportional representation system basically points toward a two-party system, and the next general election will be conducted under this single-seat system. In preparation, Shinseito, Komeito, Japan New Party, Democratic Socialist Party, and other parties have all merged to form the New Frontier Party [NFP]. It is certain that this NFP will become one of the poles, while the other pole should, of course, be the LDP. Between these two poles lie the SDPJ and Sakigake, who at first joined the non-LDP government and then turned around and joined with the LDP. This kind of alliance and con-

federation was only possible because of the existence of the multiseat district system. In the next election, the SDPJ and Sakigake will either be absorbed into one of the two poles or will simply melt away.

As this political realignment has proceeded, supporters have drifted away from the LDP and SDPJ, as well as from the former Shinseito, NJP, and DSP, to create a massive politically nonaffiliated class. This has happened because these people do not clearly discern the contrasting axis in the political world and cannot, therefore, decide which pole they should support. This is the situation under which the unified local elections were held. Tokyo and Osaka could be considered to be cross sections of the political trend. But this politically nonaffiliated class will not necessarily continue to exist over the long term. Once the contrasting axis epitomized by the LDP and NFP becomes clearer, the politically nonaffiliated class will probably choose between one of these two sides. In the future, victory will go to whichever of the two parties will be able to come up with appealing policies and can obtain sufficient trust for running the government.

#### Trust in LDP Failing

It would appear that within the LDP there are people saying that "entertainers should be recruited for future governor elections." They truly do not understand what the awareness of the people is. (LDP) Secretary General Mori said about the defeat that "party headquarters was not involved in the selection of candidates in any of the local areas, so we are not responsible." Talk about ducking responsibility. The people had no trust whatsoever in the party, and its image was so bad that it had no vote-gathering capability of its own. If the party had secured any degree of trust, the name recognition levels of the candidates would have been merely a secondary issue.

With the Great Hanshin Earthquake, sarin, and the ultrahigh yen, Japan is now going through great social and economic turmoil. Is the LDP-SDPJ-Sakigake government taking a firm line in the midst of all this? While the earthquake and sarin may not be the fault of the Murayama administration, it is impossible to avoid the conclusion that the long years of LDP policies are what have invited the ultrahigh yen. This is where I would like to focus my analysis. I recall the "highyen national panic" that followed the oil shock. At that time, I was a correspondent in Geneva, where the Swiss franc also rose abruptly. Although I received a telegram from Tokyo ordering me to "get a story on the national Swiss franc panic," the Swiss people were welcoming the rise of the franc. Because ordinary people saw that imported goods would become cheaper and that foreign travel



would also be cheaper, they exhibited no signs whatsoever of discomfort. While the yen has been rising this time around, the German mark has also recorded a historic high. However, the newspapers that carried this story ran it as a beta story in a corner of page one. Germany clearly welcomes the rise of the mark. As Bundesbank President Tietmeyer said: "I am lucky to have taken office in the Year of the Mark."

In general, citizens rejoice at the rise of their own nation's currency. So why do "national panics" arise in Japan?

Germany and Switzerland probably differ from Japan in that (1) large corporations are not in a position to pull the entire economy along with them, (2) small- and medium-sized companies develop their own strengths and therefore do not lose their international competitiveness even should the mark or franc rise, and (3) they have low import/export ratios with the United States and therefore do not get pulled down by a cheaper dollar. Germany and Switzerland were able to develop powerful economic structures in the course of being hit by these changes because they generally adopted liberal market policies after World War II, and thus achieved structures that were capable of responding to any changes whatsoever in the international economy.

By contrast, Japan's industrial policy was developed under the lead industries of shipbuilding, electrical machinery, and automobiles, while small- and medium-sized companies were nurtured under protection. While this mass-volume production method was necessary for dealing with a giant market like the United States, it weakened small- and medium-sized companies. As long as this structure remains in place, it is natural to expect that every time the yen rises, large corporations will either reduce their costs by forcing them onto subcontractors or will seek to transfer their parts production or even their main production overseas. So every time the yen rises, fears arise of a hollowing-out of Japan and a national high-yen panic most certainly occurs.

#### **Mr. Ushiba's Fears Right on Target**

In the late 1970's, Foreign Economic Relations Minister Nobuhiko Ushiba came to Geneva to participate in a GATT conference. At that time, he fervently preached that "if Japan does not take a liberalized market system, including its agriculture, it will eventually bump its head against a wall." Mr. Ushiba's fears were truly right on target.

Concerning the high yen, many say that the United States should take policies to defend the dollar, or that the G-7 should cooperatively intervene in foreign exchange markets. But these attitudes can be said to

be only concerned with the good they would do for Japan. And even should cooperative intervention be achieved, one day in the foreign exchange markets sees a turnover of about \$1 trillion. Against this, the various governments have no more than \$2-3 billion available for intervention. There is no way such a huge multitude can be swayed. Prime Minister Murayama says that the current high yen is due to "speculator betting." He will never find the solution as long as he sticks to this explanation. The real issue is why these speculators insist on all lining up to buy yen together.

The speculators probably have noticed Japan's chronic balance of payments surplus reaching to \$130 billion annually. The speculators are betting that the exchange rate is the only way to compensate for the massive surplus being piled up by Japan's one-way winnings. They are all lined up together because they believe that they can safely continue buying yen until the trade surplus falls.

There is only one way to escape from this vicious circle of boosted exports/trade surplus/high yen. That is, as Mr. Ushiba said, none other than relying on the global-scale market economy to achieve structural adjustments. Achieving this will require conducting a comprehensive relaxation of regulations. Such action will probably not specifically be a policy for dealing with the current yen rise. But once the markets recognize that Japan has seriously embarked on market liberalization, it should undoubtedly have an effect.

The five-year plan for reform of chartered semigovernmental corporations and for relaxation of regulations was a perfect opportunity for engaging in just such a major reform. The Murayama administration, however, preferred to conform to a completely meaningless integration of semigovernmental corporations, and conducted a relaxation of regulations that made no impact whatsoever on the market.

#### **Toward Transformation of the Economic System**

The biggest political issue today is transformation of Japan's economic system. The party that can be trusted to grapple with this issue head-on, and to execute its policies, will have the qualifications to seize tomorrow's political power. But a glance at the performance of the LDP and SDPJ leaves the impression that they are incapable of achieving reform. If that is the case, then we can only hope that the NFP will step forward and take up the policy of reforming Japan.



# **Spread, Future of Car Navigation System Viewed**

952A0588A Tokyo NIKKEI BUSINESS in Japanese  
Jun 95 pp 62-65

[Article by Shigetaka Mayumi]

[FBIS Translated Text]

## **Traffic Congestion Information System That Helps Cut Costs**

"Car No.4, National Highway 246 is congested from Ring-Road 7 to Shibuya. Switch over to Meguro Ave. and head for your destination."

Mizonoguchi Remicon (headquartered in Kawasaki city), a manufacturer and marketer of fresh concrete, sends route direction messages by radio at 30-minute intervals to the drivers of its commercial vehicles, based on traffic congestion information. As the fresh concrete tends to harden over time, shipping it is a race against time. The rule is it must arrive at the site within 90 minutes after leaving the production plant. If the shipment arrives late, the construction schedule will be delayed. It is therefore extremely important to avoid areas of traffic congestion.

That is why Remicon introduced ATIS (Advanced Traffic Information Service).

## **Delivery Costs Cut by 10 Percent**

ATIS is a public sector/private sector traffic information service (Minato Ward, Tokyo), backed by investment from Tokyo Prefecture, which commenced operations in February 1994.

The system can acquire the latest traffic information from expressways, national highways, and other major trunk roads. Moreover, it can also offer a recommended route to the desired destination, along with estimated travel time and the parking situation at the destination. Highway managers at the Tokyo Metropolitan Police Department's Traffic Control Center send such traffic information as congestion, road construction, accidents, and closed expressway entrances to the Japan Highway Traffic Information Center, which then passes it on to ATIS.

Initially, the system was limited to information within Tokyo City, but was expanded in April to include information about national highways and major trunk roads in Kanagawa, Saitama, and Chiba prefectures. Also, information for expressway traffic was expanded to reach the Tomei Expressway's Mikkabi Interchange, Komagane on the Chuo Expressway, Mizugami on the Kanetsu Expressway, Utsunomiya on the Tohoku Expressway, and Mito on the Joban Expressway.

The information is passed by telecommunication links from personal computers or car navigation systems to the ATIS computer, where the necessary data is called up. Items compatible with the personal computer systems are being sold by NEC, Matsushita Electric Industrial, and Mitsubishi Electric, while those for the car navigation systems are being sold by Sony, Sumitomo Electric Industries, and Nippondenso.

As a result of ATIS, "we have become able to satisfy the delivery recipient," said Kazuyoshi Murata, who as head of the Shipping Adjustment Section of Remicon's Sales Department is in charge of concrete deliveries. And even should the vehicle be behind schedule, the company can now tell the construction site exactly when the delivery will arrive. Before introducing the system, the company had always been stumped by the constantly telephoned construction site query of "when is it arriving?" They could only say, "just a little longer." Murata said ruefully, "They often used to yell at us that 'we are not ordering soba noodles here.'"

Now the company can ascertain a driver's current position by radio, and then consult the traffic congestion information provided by ATIS to say specifically that "it will arrive in 20 more minutes." "We can now respond without being flustered" (Section Chief Murata).

An even bigger effect for Remicon is the reduction in shipping costs. "We have been able to cut costs by nearly 10 percent overall" (Executive Director Shigeo Takahashi). While the company normally has 40 vehicles in operation, it has always had to rely on outside reinforcements whenever there was a rush of deliveries. But each of these other vehicles costs Y40,000 per day, which means, for example, that borrowing 10 vehicles for a period of 100 days would cost an enormous Y40 million.

With the fresh concrete industry in a structural recession due to a surplus of facilities and equipment, the most critical issue facing it is a reduction in unnecessary costs. In Remicon's case, about 70 percent of its deliveries take place in the severely congested Tokyo metropolitan traffic. Delivery turnaround rates get very bad if vehicles get caught in traffic jams and the company is forced to rely on outside reinforcement vehicles. But should the company be able to avoid the traffic tie-ups and so boost its in-house vehicle turnaround rates, it will not have to pay out fees for reinforcement vehicles.

## **Economic Losses Due to Traffic Congestion Reach Y1 Billion per Day**

The Tokyo Metropolitan Police Department has announced an estimate of "Y1 billion per day in eco-



conomic losses due to traffic congestion within the Tokyo metropolitan area." The Remicon example shows that traffic congestion equals costs. So ATIS ought to be appealing to companies as a way to hold traffic congestion losses to a minimum. Yet in the first fiscal year, it acquired only 1,000 users. This was due to the fact that its information was limited to the metropolitan area alone. The area of coverage has expanded in the current fiscal year, and the rate of user increase does appear to be rising. Nevertheless, the cautious forecast is "it will be a good result if users surpass 10,000" (Yoshiro Areno, Executive Director of Traffic Information Services).

Hovering in the background is the poor business climate due to the ultrahigh yen. But an even bigger factor is the high start-up costs for ATIS, and also its high running costs.

For those using personal computers, implementing the system requires purchase of personal computers, communications modems, and special software. The reference price for ATIS thus totals Y600-700,000. A membership fee is also required. Also, if telephone lines are used, the cost comes to Y30,000. And if it is a dedicated line capable of transmitting information at high speed is used, the cost is Y160,000.

On top of that comes a basic monthly fee, as well as communication time fees paid to the telephone companies. For telephone lines, the basic monthly fee is Y3,000. While this basic fee includes within it an allowance of 50 calls (at three minutes per call), a fee of Y30 is charged for each additional call above that amount. ATIS calculates that a service that is utilized by telephone line subscriber for 25 days each month, and five times each day, will cost Y6,500 per month.

ATIS has extended its half-price membership campaign by six months longer than it originally planned, to continue through September 30 of this year. Nevertheless, with start-up investment costs of Y500,000, and with continuing costs exceeding Y5,000 per month, industry observers are saying that "most cases involve corporations utilizing it for commercial use, with very few individuals at all."

But manufacturers are expecting an increase in individual users with the advent next spring of VICS (Vehicle Information Communication System). It will initially target the eight prefectures of Tokyo, Kanagawa, Chiba, Saitama, Aichi, Osaka, Kyoto, and Hyogo. The system is projected to spread by 2003 to the 12 prefectures containing the cabinet-designated metropolitan areas, to 23 prefectures by 2010, and to the entire nation by 2014.

Like ATIS, VICS collects into its computers traffic information supplied from highway controllers via the

Japan Highway Traffic Control Center, and then supplies it to users. The information can be delivered in three ways: text only, simple diagramming, and overwriting on a car navigation map.

It is estimated that VICS-responsible devices will number 80,000 in the first year of 1996, and grow to 330,000 in 2000 and 1.75 million devices in 2010. The reason why VICS is forecast to have two magnitudes greater numbers than ATIS even in its first year is because the information supply fee is free. For this reason, the VICS cooperative council that was set up in 1991 as a voluntary association of private-sector companies will in June be converted into an incorporated foundation. A total of 80 organizations, including both private-sector companies and incorporated foundations, will invest a total of Y2 billion, of which nearly half is to be utilized as working capital. In addition, members will be charged an annual fee of Y500,000 per organization, for a total of 200 fees levied, while each vehicle in the system is to be charged a technical fee of no more than Y2,000. All of these fees will be added to the working capital.

There are three methods for supplying the information: FM multiplex broadcasting, optical beacons, and radio wave beacons. FM multiplex uses frequencies left unused by FM broadcasting to deliver the information, and specifically the NHK frequencies. The optical beacons will generally be emplaced at traffic signals on ordinary street intersections, while the radio wave beacons are to be installed at various facilities lining the expressways. The Tokyo Metropolitan Police Department is to install the optical beacons, while the Construction Ministry is to install the radio wave beacons.

These three different systems are to go into operation simultaneously because the National Police Agency, the Construction Ministry, and the Posts and Telecommunications Ministry, which was promoting the use of FM broadcasting, could not reach an agreement on which to support.

The car navigation manufacturers believe that "demand for traffic information is high, and VICS will accelerate the spread of car navigation." But others in the industry complain that "building devices capable of receiving all three methods will raise costs by nearly Y100,000. With today's stiff price competition driving prices to below Y100,000 when the liquid crystal monitor is excluded, there is no way that consumers are going to accept that kind of price increase." Most manufacturers are leaning toward the FM multiplex system as the "mainstream" because prices can be expected to rise the least.

Unfortunately, FM multiplex cannot provide estimated time required to destination, nor can it be used to offer road direction guidance. The radio wave beacon has the



same problem. Its traffic congestion information is very general, and can only go so far as to advise detouring around a congested road.

Optical beacons, however, are different from the other systems in that they are not limited to providing information to car navigation, but are also set up to allow for information to be sent from vehicles.

This arrangement allows the system to collect a wealth of information that, like ATIS, can be used to provide information on the route that leads from the current location to the final destination in the shortest amount of time. This feature is due to the fact that a beacon gathers information on when a vehicle passes it by, allowing calculation of transit times between beacons. And when a total transit time is arrived at for a multiple number of vehicles, the system can generate an even more accurate transit time value. The drawback is that this information cannot be broadcast except from vehicles with the optical beacons mounted on them.

At the present time, information on vehicle transit conditions can only be gathered from the infrastructure side. To estimate transit times, for example, a system has been established that uses visual processing and character recognition technology to read off vehicle license plate numbers. In a recent murder case, in which a doctor murdered his wife and child and then abandoned their bodies along an expressway route, this recognition system served to firm up the evidence when it was able to record the man's license plate number.

#### **Experiment of 20 Years Ago at Last Sees the Light of Day**

The optical beacon is a new attempt of cooperative collection of traffic information between vehicles and the infrastructure. The key to success in this new attempt is to increase the number of "cooperative vehicles" that can supply information to the infrastructure. This is because only those vehicles with mounted optical beacons can send the highly accurate information needed for avoiding traffic congestion areas.

Nevertheless, many manufacturers criticize this type of VICS installation as "a police attempt to disseminate their favored optical beacon, and does not take the position of the consumer."

A traffic information system for detouring around congested areas by uniting the infrastructure with the vehicle was actually conducted as an experiment by the Ministry of International Trade and Industry for five years from 1973, in a major project known as the "Automobile Integrated Control System. In an area 30 kilometers square in Tokyo's Shibuya Ward, monitoring devices and signal beacons were installed at 85 intersections. In

addition, 330 experimental vehicles were equipped with the necessary communications devices to conduct an experiment in road direction guidance. While the results showed a 9-15 percent reduction in travel time, there was no follow-up toward possible commercial implementation.

"It was concluded that it would be difficult to simultaneously develop the infrastructure and promote the dissemination of vehicles that can receive and send the information" (Hirosaka Ikeda, Executive Director at Sumitomo Electric Industries, Manager of the Automobile Parts Project Department). Instead, while work progressed on preparing the infrastructure, work on vehicle-mounted equipment progressed separately without any direct linkage to the infrastructure. The result is today's car navigation systems. Car navigation is spreading fast, having reached 300,000 vehicles in fiscal 1994, and now being projected to reach 500,000 vehicles in fiscal 1995 and 700,000 vehicles in fiscal 1996. At last, the experiment of 20 years ago involving the unification of infrastructure and vehicles is beginning to look possible.

But for success to be assured, the minimum requirement is a unification on the infrastructure side. In the case of VICS, beacons alone cannot obtain information if no vehicles are passing beneath the beacons. It may thus be impossible to avoid the simultaneous use of FM multiplex as a way of providing information to vehicles wherever they may happen to be. Be that as it may, the minimum requirement of unification of the radio wave beacon and optical beacon systems nevertheless remains.

The simultaneous existence of optical and radio wave beacons arose because the controllers of expressway traffic and ordinary road traffic are not the same. If this bureaucratic impasse results in higher costs for car navigation equipment, which then stifles their rapid dissemination, the 20-year wait will have been for nought.

### **North Korea**

#### **U.S.-South 'Joint Strategy' on Peace Denounced**

*SK1108050195 Pyongyang KCNA in English*  
*0450 GMT 11 Aug 95*

*["The U.S., South Korea Advised To Stop Foolish Acts" — KCNA headline]*

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — NODONG SINMUN today comments on the "joint strategy against the North" the South Korean puppets are going to make public, egged on by the United States.



The paper says:

All the contents of the "strategy" has yet to be revealed. But it is apparent that the United States, through it, is seeking to set up the South Korean puppets as a party concerned in the establishment of a new peace mechanism and absolve itself from the responsibility for a solution to the Korean issue.

The South Korean puppets are bringing forward the "strategy" in a bid to poke their nose into the establishment of the new peace mechanism, improve their image, keep Korea divided permanently and prolong their days with the backing of their master.

Such an act of the United States and the South Korean puppets is unrealistic and useless.

It is the Democratic People's Republic of Korea and the United States in all respects that are concerned in the establishment of a new peace mechanism in the Korean peninsula. South Korea has nothing to do with it.

What the United States intends is to keep hold on South Korea indefinitely as a colony and military base and stifle the DPRK by making use of the South Korean puppets.

If the United States truly wants peace and stability of the Korean peninsula, it must accept the DPRK's proposal for the establishment of a peace-keeping system, instead of trying to flee from its responsibility as a signatory to the Armistice Agreement.

If the South Korean puppets continue acting without discretion, ignoring international law and usage, they will be bitterly condemned not only as marionettes of the U.S. but as foes of peace and reunification.

#### **South Warned Against Persecuting Pak Yong-kil**

*SK1108103295 Pyongyang KCNA in English  
1002 GMT 11 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — The Central Committee of the League of Socialist Working Youth of Korea [LSWYK] released a statement of its spokesman on August 10, warning that it will never remain an onlooker to the move of the South Korean ruling quarters to kill an old woman Pak Yong-kil through persecution as they did Rev. Mun Ik-hwan, a pro-reunification patriot.

The statement said:

Pak Yong-kil, a widow of Rev. Mun Ik-hwan, called at the Kumsusan Memorial Palace on the occasion of the 1st anniversary of the death of the great leader President Kim Il-song and paid homage to him, before going back to South Korea.

This is a very righteous behaviour which stemmed from intimacy between President Kim Il-song and Rev. Mun Ik-hwan and a praiseworthy patriotic behaviour representing the unanimous will of fellow countrymen in the South intensely revering the fatherly leader who devoted all his life to national reunification.

Repression of Pak Yong-kil is not a matter confined to her alone, but directly related to the northern half of Korea, the statement said, noting "It shows that the South Korean authorities' vociferation about 'dialogue' is no more than a hypocrisy and they have no willingness for dialogue and reunification."

"The Kim Yong-sam group must stop acting rashly, squarely seeing the nation's surging indignation and the resolute will of our youth and students," warned the statement, adding that it must abandon at once the suppression of Pak Yong-kil and return her home unconditionally.

#### **Overseas Koreans Arrive for Festival**

*SK1108054395 Pyongyang KCNA in English  
0455 GMT 11 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — A delegation of the General Association of Korean Residents in Japan led by vice-chairman of its Central Standing Committee So Man-sul, a delegation of the Federation of South Koreans in Japan for Democracy and Unification headed by Vice-chairman Yang Tong-min, who is also chairman of the Japan Headquarters of the National Alliance for the Country's Reunification (Pomminnyon), and Yim Min-sik, secretary general of Pomminnyon and director of the Secretariat of the Pomminnyon Overseas Headquarters, arrived in Wonsan on Thursday to participate in the grand national reunification festival for celebrating the 50th anniversary of national liberation.

Arriving in Pyongyang Thursday by train were a delegation of the organization of Korean citizens in Russia headed by Kim Chi-man, a delegation of the General Association of Korean Citizens in China led by Chairman Yang Yong-tong and a delegation of the China Headquarters of the National Alliance of Youth and Students for the Country's Reunification led by Chairman Yu Chang-hwan.

So Man-sul, Yang Tong-min, Kim Chi-man and Yang Yong-tong, on behalf of their delegations, published statements on arrival.

In the statements they stressed that they would successfully make the forthcoming grand national reunification festival a particular occasion to declare a fresh reunification march, true to the behests of the great leader



President Kim Il-song on reunification, and thus surely achieve reunification in the 90s under the leadership of respected General Kim Chong-il.

### Visit Mansu Hill

SK1108054195 *Pyongyang KCNA in English*  
0503 GMT 11 Aug 95

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — Overseas compatriots visited the statue of the great leader President Kim Il-song standing on Mansu Hill on Thursday.

Among them were a delegation of the General Association of Korean Residents in Japan led by vice-chairman of its Central Standing Committee So Man-sul, a delegation of the Federation of South Koreans in Japan for Democracy and Unification headed by Vice-chairman Yang Tong-min, who is also chairman of the Japan Headquarters of the National Alliance for the Country's Reunification (Pomminnyon), a delegation of the General Association of Korean Citizens in China led by Chairman Yang Yong-tong, a delegation of the China Headquarters of the National Alliance of Youth and Students for the Country's Reunification led by Chairman Yu Chang-hwan, a delegation of the organization of Korean Citizens in Russia headed by Kim Chi-man, and Yim Min-sik, secretary general of Pomminnyon and director of the Secretariat of the Pomminnyon Overseas Headquarters, who are staying here to participate in the grand national reunification festival for celebrating the 50th anniversary of national liberation.

The visitors laid floral baskets and bouquets before the statue and made a bow with unbounded respect for President Kim Il-song.

Earlier, Mun Myong-cha, a Korean woman journalist from the United States, visited the statue.

### Japan's Pledge To Cooperate With South Decried

SK1108103095 *Pyongyang KCNA in English*  
1021 GMT 11 Aug 95

["Nothing Comes From Conspiracy" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — "We hope Japan will not push ahead with the Japan-DPRK relations even sacrificing the Japan-South Korea relations," said Kim Yong-sam in an interview with the Japanese ASAHI SHIMBUN on August 8, prattling Japan and South Korea should take a "close joint step". It is said that, earlier, the puppet foreign minister and his Japanese counterpart reached a "unanimity of views" on "cooperation for establishment of future-oriented relations".

The matter is that such ill-boding moves came when calls for early normalization of Japan-DPRK diplomatic relations and scrapping of the illegal "South Korea-Japan Treaty" are becoming louder in South Korea and Japan on the threshold of the 50th anniversary of World War II.

Underlying these relations is a clumsy plot of the South Korean puppets, upset by improving relations between the DPRK and Japan, to keep hold on the "cooperation system" against the North in return for reaffirming the humiliating "South Korea-Japan Treaty" and the insidious intention of Japan to maintain the brigandish "treaty" and whitewash her past crimes of aggression by taking part in the puppets' hostile policy against the North.

It is an intolerable insult to the DPRK, the dialogue partner, that Japan, has promised "close cooperation" with traitors in resuming negotiations for normalization of DPRK-Japan diplomatic relations. It is a massive violation of the agreement for resuming DPRK-Japan talks.

Japan should know that she will lose independence in resumption of DPRK-Japan talks if she continues to insist on "cooperation" with the South Korean puppets.

The Kim Yong-sam group will face a stern punishment by history and the people if it persists in taking the road of treachery to the country and the nation in defiance of the trend of the times and the aspiration of the nation.

### Japan Refusing 'Serious Repentance' of Past

SK1108102295 *Pyongyang KCNA in English*  
1015 GMT 11 Aug 95

["Shameless Rigmarole" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — The newly-appointed minister of education of Japan, Yoshinobu Shimamura, vindicated the Japanese imperialists' blood-stained history of aggression at a press conference on Wednesday by alleging that "it is not necessary to apologize" for the war of aggression unleashed by them in the past, according to a report from Tokyo.

His utterances meant to justify war crimes committed by the Japanese imperialists in plunging Asian nations into a holocaust of war, are an unbearable insult and an unpardonable challenge to the Korean people and other Asian peoples.

The peoples in Asia and the rest of the world earnestly demand that Japan sincerely reflect on, apologize and properly atone for her past crimes of aggression this year, the 50th anniversary of her defeat in the war.



His statement, which runs counter to the call, cannot be construed as an expression of his own viewpoint.

Because Shimamura's arrogant statement came in the wake of the recent remarks made by one Japanese Government minister after another to whitewash the Japanese imperialists' history of aggression and oppose the adoption of "no war resolution" in the Diet. [sentence as received]

By doing so, Japan reveals once again that she still refuses to make a serious repentance of her past and apologize for it even today, the 50th anniversary of her defeat in the war, but is seeking a foolish attempt to imbue the people with militarism and realise her old dream of the "Greater East Asia Co-Prosperity Sphere" she did fail to do.

Japan should not seek overseas aggression, but make an official apology for her past crimes and atone for them properly.

#### **Japan's Proposed Women's Peace Fund Criticized**

*SK1108050495 Pyongyang KCNA in English  
0446 GMT 11 Aug 95*

[Foreign Ministry Spokesman on Japanese Government's Trick in Settlement of 'Comfort Women' Issue — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea issued a statement today.

The spokesman said:

The Japanese Government set up the "Asia Peace National Fund for Women" in July to atone for the crime related to "comfort women for the Army" committed by the old Japanese Army during World War II.

It is reported that the fund will collect contributions from Japanese citizens and distribute them to former "comfort women." Meanwhile, the Japanese Government plans to bear the expenses for the operation of the fund so as to indirectly supplement the "compensation" to "comfort women."

This is a trick to avoid the Japanese Government's direct compensation and its responsibility as the offender under international law in the settlement of the "comfort women" issue.

What matters in the compensation to "comfort women" is whether the Japanese Government makes compensation as the offender. It is no matter whether the victims receive money or not. From this legal point of view, the "national fund" is not fit for legal relations between

the offender, the Japanese Government, and the victims, former "comfort women." In other words, the Japanese Government's provision of money is for the "national fund" and it has nothing to do with former "comfort women" by law.

The "national fund" plays the role of collecting money from citizens and conveying it to former "comfort women." So, it is no more than a "mediator" that is not responsible for compensation. Accordingly, the money is no more than "charity."

Compensation to former "comfort women" must be made through the general legal procedures: The Japanese Government must probe the truth and punish the war criminals on the premise that it violated international law.

The UN Human Rights Organization, too, urges the Japanese Government to make an official compensation, holding itself directly responsible for the "comfort women" issue. In view of such a demand of the international community, the "national fund" set up by the Japanese Government is just aimed at making impressions with only a few pennies that it does all it can with "sincerity."

It is also designed to placate the demand for the compensation for other wartime damages and hoodwink law and justice of the international community.

If the Japanese Government tries to finally settle the controversy and soothe over the demand for other wartime damages by playing a trick, it will invite denunciation by the international community.

The anti-ethnic crimes of the blackest dye committed by the Japanese Army during World War II are not confined only to the "comfort women" issue.

In the period the Japanese Army slaughtered peoples in different parts of Asia, drafted many people for slave labor and military service and, worse still, took living-body tests at the Unit 731. Its human rights abuses and war crimes are really countless.

In Korea alone, more than a million peoples were killed and over six million peoples were forcibly drafted.

The Japanese Government must not try to gloss over Japan's past crimes by employing a trick but frankly admit the crimes and adequately compensate. Only then, can it win confidence of the international community.

#### **Japanese Delegation Arrives in Pyongyang**

*SK1108044595 Pyongyang KCNA in English  
0428 GMT 11 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — A delegation of the Japan Society for the



Study of Works of Kim Chong-il led by Yoshio Suzuki, president of the Hokkaido Society for the Study of Works of Kim Chong-il, arrived here on Thursday.

**Korea Historians Meet in Tokyo**

*SK1008151395 Pyongyang KCNA in English*  
*1511 GMT 10 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 10 (KCNA) — Historians from the North, the South and overseas met in Japan to discuss the reestablishment of the 5,000-year-long history of the nation, Tokyo-based Korean News Service reported.

Historians from the North presented research papers to the discussion.

They said the unearthing of the King Tangun's tomb made clear in a scientific way that Tangun was a real man and his birthplace and the capital of ancient Korea was Pyongyang and also demonstrated the homogeneity of the Korean nation with him as the father.

They noted that the Korean people, who have lived as the same nation, descendants of Tangun, for 5,000 years, must not remain divided but be reunified without fail.

Then, the heads of the delegations of historians from the North and the South delivered speeches.

The head of the North side's delegation notified the participants of what historians in the North, the South and overseas agreed on at the discussion.

According to him, they considered that all the members of the Tangun nation who love the country and are concerned about the future of the nation must achieve national unity and make concerted efforts for the country's reunification, irrespective of their differences in ideology, political view, religious belief and property.

They hoped that they would visit the tomb of Tangun and have a ceremony of burning incense on the "national foundation day" there.

They also vowed to make unstinted efforts together to reestablish the nation's history distorted by outside forces.

**Kim Yong-nam Meets Mongolian Ambassador**

*SK1108104595 Pyongyang KCNA in English*  
*1022 GMT 11 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — Kim Yong-nam, vice-premier and foreign minister of the DPRK, today met and had a talk with the new Mongolian Ambassador to Korea, D. Byambaa, who paid him a courtesy call.

**Hwang Chang-yop Meets Foreign Party Leaders**

*SK1108045495 Pyongyang KCNA in English*  
*0434 GMT 11 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, on August 10 met Roberto Gabriele [as received], general secretary of the Central Committee of the Movement for Peace and Socialism of Italy.

The general secretary said that his movement is keeping pace with the Workers' Party of Korea in the struggle to safeguard socialism and defend the sovereignty of the people against imperialism and to achieve the reunification of Korea.

Pointing out that to defend socialism is a vital matter, he declared that they would further strengthen cooperation with the Korean comrades in defending socialism in the future.

On the same day, Hwang Chang-yop met Narayan Man Bijukchhe [as received], chairman of the Central Committee of the Nepal Worker-Peasant Party.

**KSDP Official Meets Sri Lankan Officials**

*SK1008152595 Pyongyang KCNA in English*  
*1522 GMT 10 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 10 (KCNA) — Kim Pyong-sik, chairman of the Central Committee of the Korean Social Democratic Party [KSDP], met at the Mansudae Assembly Hall today with Reggie Ranatunga, deputy minister of transport, environment and women's affairs of Sri Lanka who is also chairman of the Sri Lanka-People's Korea Friendship Association, and W.A. Dumiduwardane [spelling of names as received], secretary general of the association.

The chairman of the association said on the occasion that he could not repress bitter sorrow over the death of the great leader President Kim Il-song. The Sri Lankan people and the members of the association deeply respect and revere him, the chairman noted, adding: "He is a great leader and a father not only of the Korean people but also of the Sri Lankan people and the world revolutionary people."

He stressed the need to make all efforts to develop the friendly relations between Sri Lanka and the DPRK in the future.



**Qadhafi, Others Send Kim Chong-il Greetings**

SK1108044195 *Pyongyang KCNA in English*  
0424 GMT 11 Aug 95

[All foreign party leaders' names as received]

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — The great leader Comrade Kim Chong-il received messages of greetings from foreign state and party leaders on the 42nd anniversary of the victory in the fatherland liberation war.

The messages were sent by Mu'ammar al-Qadhafi, leader of the great September first revolution of the great Socialist People's Libyan Arab Jamahiriya; Frank Baude, chairman of the Communist Party-KPML(R) of Sweden; Zbigniew Wiktor, chairman of the National Executive Committee of the Polish League of Communists "Proletariat"; Guzman Rivera Castaneda, general secretary of the Socialist Revolutionary Party of Peru, and Angel Castro Lavarello, chairman of the Peruvian Front for National Liberation.

The messages said that the Korean people heroically repulsed the armed invasion of the U.S. imperialists, troops of its 15 satellite countries and the South Korean puppet clique with young Armed Forces and won the great victory in the fatherland liberation war, which is of great historic significance.

The messages wished Comrade Kim Chong-il great success in his work of leading socialism and expressed full support to and solidarity with the Korean people in their struggle for national reunification.

**Kim Chong-il Sends Thanks to Units, People**

SK1108050795 *Pyongyang KCNA in English*  
0436 GMT 11 Aug 95

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to the Pyongyang shoe-making factory and the Institute of Mechanical Engineering of the National Academy of Sciences for their big contribution to developing shoe-making industry.

He also extended thanks to Yi Kil-yong, a researcher at the University of Geology, Pak Min-hak, chairman of the Kaesong Municipal Committee of the General Federation of Science and Technology of Korea, and other part-time lecturers who made tireless efforts to arm party members and other working people with the policy of the Workers' Party of Korea for a long time.

**Kim Chong-il's Work on S&T Development Praised**

SK0708090795 *Pyongyang Korean Central Broadcasting Network in Korean*  
2228 GMT 2 Aug 95

["Special article" entitled: "Programmatic Work To Develop Science and Technology to a New and Higher Level"]

[FBIS Translated Text] Today, the entire country is burning with the popular masses' revolutionary zeal and grand struggle. They have sprung up as one to consummate the chuche revolutionary cause and work for the enrichment and prosperity of our country, our fatherland, upholding the fatherly leader's [suryongnim] behests. At such a time, we are observing the 10th anniversary of the publication of the great leader [yongdoja] Comrade Kim Chong-il's immortal classic "On Further Developing Science and Technology [S&T]."

The work "On Further Developing S&T," which the great leader Comrade Kim Chong-il published on 3 August 1985, is a programmatic work to develop S&T at an early date in conformity with the new and higher demands of the development of socialist construction.

The great leader Comrade Kim Chong-il pointed out: We should rapidly develop the country's S&T in keeping with the demand of the developing reality.

Developing S&T is an important guarantee for accelerating socialist economic construction and further displaying socialism's superiority. Only when S&T are rapidly developed, can we vigorously accelerate production and construction, effectively mobilizing the already-prepared economic foundations. Thereby, we can all the more strengthen the country's economic might and endlessly promote the people's standard of living.

S&T development is closely linked with the basic strategy of socialist economic construction. In other words, if the basic strategy of economic construction is ground-work that regulates the direction of S&T development, S&T development should be aimed at successfully carrying forth the basic strategy of economic construction.

Pushing ahead with the chuche-orientation, modernization, and scientification of the national economy is a basic strategy maintained by our party in socialist economic construction. The strategy regulates the character and goal of building the material and technical foundations of socialism and communism, and expounds the ways to carry them forth. Accordingly, our S&T development should be aimed at successfully realizing the chuche-orientation, modernization, and scientification of the national economy. By doing so, S&T development



can truly be dedicated to strengthening the foundations of the country's self-reliant national economy and to promoting the people's welfare.

In the work, the great leader Comrade Kim Chong-il clarified the significance of developing S&T in socialist economic construction. He gave a perfect exposition of all principled questions in rapidly developing the country's S&T on the basis of his profound analysis of the trend in and the current status of S&T development.

The work, above all, clearly elucidates tasks arising in rapidly developing S&T in conformity with the demands of the developing reality. The work puts forward solving scientific and technical questions to settle the problems concerning raw materials, new fuel, and power resources as an important task for S&T development, and also clarifies ways for its realization.

Together with this, the work presents solving scientific and technical questions to modernize machinery and equipment as another important task, and stresses the need to develop mechanical engineering, automation engineering, and electronics to modernize machinery and equipment.

In the work, strengthening research work to put production and technology processing, production methods, and management activities of all sectors of the national economy on a new scientific basis is regarded as one of the rising important tasks in S&T development. In addition, the work illuminates that the scientists and technicians should carry out the work to solve scientific and technical questions with a view to the future.

The work then expounds practical ways to rapidly develop the country's S&T in conformity the demand of the developing reality. This is, most of all, the functionaries having a correct view of S&T. How they should struggle for the development of the country's S&T is not a simple practical question, but an ideological question. The functionaries should correctly realize that S&T development is a pivotal question arising in socialist economic construction, firmly arm themselves with the party's lines on S&T development, and actively struggle for the development of S&T.

Only then, will the entire society's interest in S&T development be mounted and a greater advance be made in all sectors of socialist construction.

Actively accepting other countries' advanced S&T is one of the important methods to rapidly develop S&T. Actively accepting other countries' advanced S&T does not run counter to the demand to independently develop the country's S&T. In addition, it is not incompatible with the principle of self-reliance that the country's revolution should be responsibly carried out by themselves.

By accepting advanced technology in conformity with the interest of our revolution and our country's current status, it will contribute to establishing *chuche* in the S&T field and to rapidly developing S&T, thereby successfully carrying out the country's revolution and construction and skillfully displaying the spirit of self-reliance.

Correctly setting up the plan on S&T development and unfailingly carrying it forth are important ways to develop S&T. What is most important here is drawing up a long-term plan for S&T development, mapping out the yearly plan on S&T development to execute the long-term plan, and unfailing carrying it forth, considering the prospect for economic development and the trend of the development of the world's S&T on the basis of a correct analysis of the degree of the country's S&T and the actual state of its economy.

In order to rapidly develop S&T, the standards of the scientists and technicians should be promoted, and their working and living conditions should be guaranteed in a better way. Since those who are directly responsible for the S&T development are scientists and technicians, whether or not the country's S&T are developed at an early date depends on the level of standards of the scientists and technicians. The scientists and technicians should set up the ethos of revolutionary study. Thus, they should be well versed in their major and should cultivate their ability to pioneer up-to-date S&T. Widely organizing seminars and discussion meetings on science, and strengthening the work of making reports on their S&T studies are also important. In addition, the work to broaden the outlook of the scientists and technicians should be well organized.

The work expounds in detail questions concerning providing excellent working and living conditions to scientists and technicians, such as equipping them with better laboratories and study rooms; ensuring there are enough modern testing devises and equipment necessary for lab testing; giving preferential treatment to scientists and technicians; guaranteeing a bountiful cultural and mental life; and other questions.

Truly, the work "On Further Developing S&T" is a program for S&T development in which the great leader [yongdoja] Comrade Kim Chong-il's profound ideology and theory, and intentions in the S&T field are summed up. This is an encyclopedic textbook for the revolution of S&T.

In the 10 years since the publication of the work, great success has been achieved in the development of our country's S&T. The party's guidance on the S&T work has been strengthened; social interest in S&T development has been further mounted; the ranks



of functionaries in the S&T fields have been firmly prepared; and numerous associate doctors and doctors in their 20's and 30's have been produced. The firm groundwork for S&T development has been prepared, a new scientific and technical sector has been pioneered, and valuable scientific and technical achievements have been introduced, thereby contributing to the chuche-orientation, modernization, and scientification of the national economy. This is a clear demonstration of the justness and vitality of the ideology set forth in the work.

Today, it is our party's firm will to continuously develop the country's S&T to a new and higher level to further enrich our country, our fatherland.

All the units and sectors should thoroughly carry forth the lines set forth by the great leader Comrade Kim Chong-il in his work. By doing so, they should endlessly promote the country's S&T to a new and higher level.

#### **Kim Chong-il 'Energetically' Leading KPA**

952C0155A *Pyongyang NODONG SINMUN*  
in Korean 25 Apr 95 p 1

[Editorial: "The Korean People's Army Led by the Great Commander Is Invincible"]

[FBIS Translated Text] Today our revolutionary armed forces are strengthening and developing daily.

All officers and men of the Korean People's Army [KPA] and all the people are solemnly marking the 63d anniversary of the founding of the glorious KPA at an historic time when great achievements are being made in the revolutionary cause of chuche-based military development under the leadership of the respected and beloved supreme commander Comrade Kim Chong-il.

Our revolutionary armed forces are the leader's forces, the existence of which is inconceivable but for the revered name of the great leader Comrade Kim Il-song. The hearts of all the KPA personnel and people, who are marking the KPA day for the first time in history without the great leader Comrade Kim Il-song, the founder of the revolutionary armed forces, are filled to overflowing with a deep yearning for the leader who established the eternal bloodline of our party and army.

Our people and KPA personnel have now firmly resolved to continue accelerating to the end the cause of chuche-based military development and to uphold, with loyalty, the leadership of the respected and beloved supreme commander Comrade Kim Chong-il.

The cause of chuche-based military development is the historic cause of building a new-type revolutionary army suffused with one color, the color of the chuche ideology.

In achieving this sacred cause, the fact that the Korean People's Revolutionary Army [KPRA] was founded on 25 April 1932 is of great historical significance. The founding of the KPRA signaled the birth of a genuine revolutionary army united rock-firm around the leader and fighting staunchly to translate his ideology into reality. The founding of the KPRA provided a firm military guarantee that our people could develop, defend, and complete the Korean revolution successfully. The red flag of the KPRA flying high in the forest of Antu served as a beacon giving the Korean people the first ray of national liberation and confidence in victory of the revolution.

The cause of the chuche-based military development has made vigorous headway in the past 60-odd years under the sagacious leadership of the great leader [suryong] and the great leader [yongdoja].

History knows of no army that has traversed a course so full of ordeals and yet so glorious as our revolutionary army has. Our revolutionary army is an invincible army that defeated the Japanese imperialists, who were armed to the teeth, and attained the great cause of national liberation. It is a glorious army that crushed the U.S. imperialist aggressors and defended the sovereignty of the fatherland. In the current socialist construction as well, our people's army has creditably fulfilled its mission as the defender of socialism and creator of the people's happiness. The ever-victorious history of our revolution is precisely the annals of victory of the people's army.

Left vividly on every page of the 60-odd-year history of military development is the trace of the great leadership of the great leader Comrade Kim Il-song, the iron-willed commander. The chuche-based military ideology and strategies of the great leader were the banner of victory that turned any adversity into prosperity. The leader's art of leadership was a mighty weapon that spurred on our army a hundred and a thousand times more forcefully. The leader's preeminent features were the fundamental factors uniting the entire army into one. Thanks to the great Commander-in-Chief Kim Il-song's absolute authority, our army has enjoyed glory that no other armies of the world could have. Now that we no longer have the great leader Comrade Kim Il-song with us, we feel even more keenly how distinguished a commander we had at the helm of our revolutionary armed forces.

Today, the great cause of chuche-based military development charted by the great leader Comrade Kim Il-song is being firmly adhered to and brilliantly inherited and carried to completion by the respected and beloved supreme commander Comrade Kim Chong-il.



The great leader Comrade Kim Il-song taught:

**"Comrade Kim Chong-il has indomitable will and courage, exceptional resources, and an outstanding art of command befitting the supreme commander of a revolutionary army. Herein lies the guarantee for the infinite strengthening and development of our revolutionary army and its invincibility."**

The future of a revolutionary army depends on the greatness of the leader [yongdoja] who succeeds to and carries forward the cause of military development from generation to generation. History shows that any army would weaken and be torn asunder if it failed to advance its cause of military development from generation to generation, its purity intact.

Our revolutionary army is blessed in its leader, its commander, generation after generation. The great leader [yongdoja] Comrade Kim Chong-il, who had taken on the features of a preeminent commander well up in both literary and military arts, has always taken the helm, leading the struggle to strengthen and develop our revolutionary army politically and ideologically, militarily and technologically, to meet demands of the developing revolution. In this proud course of converting the entire army to the chuche ideology, the great cause of chuche-based military development launched in the forests of Mt. Paektu has entered a new higher stage.

Today, the respected and beloved supreme commander Comrade Kim Chong-il, paying special attention to the KPA, is leading it energetically so that it successfully fulfills its mission as the core force of our revolution. The respected and beloved comrade supreme commander firmly trusts the officers and men of the KPA. He is always among military personnel. Since the start of this year, he has visited various KPA subunits, warmly encouraging personnel. He also attended the meeting of KPA company commanders and company-level political leaders to urge the entire army to fulfill the great cause of chuche-based military development. Thanks to such leadership of the respected and beloved comrade supreme commander, the might of our army and its militant morale are on the rise.

An immortal accomplishment of the respected and beloved supreme commander Comrade Kim Chong-il in advancing the cause of chuche-based military development is that he brilliantly inherited the tradition of loyalty and strengthened and developed the KPA into an army of the leader and of the party, both in name and reality.

Loyalty to the leader is the life of a revolutionary army. Since the very beginning our revolutionary army has taken as a basic iron rule and motto to uphold

and defend to the last with their lives the leader of the revolution. The revolution has come through generational changes, but the tradition of loyalty has been inherited and carried forward intact brilliantly.

The great leader [yongdoja] Comrade Kim Chong-il has strengthened the party work of political indoctrination in the army, established the revolutionary military ethos across the ranks, and instituted a command system under which the entire army moves as one. By doing so, he fundamentally renovated the political and ideological features of our army.

Today the KPA is in an excellent state in terms of political and ideological preparedness. All KPA officers and men are fully prepared to lay down their lives to protect to the end the respected and beloved supreme commander Comrade Kim Chong-il. They fulfill the supreme commander's orders thoroughly, regardless of circumstance. Never in the history of our army have the supreme commander and the masses of military personnel been so firmly united in one and the same mind, in one blood vessel, as they are today. This is the greatest victory gained in the 60-odd-year history of military development; precisely therein lies the basic source of strength with which our army can stay ever-victorious against any ordeals of history.

Another immortal accomplishment of the respected and beloved supreme commander Comrade Kim Chong-il in inheriting and advancing the cause of chuche-based military development is that he has brilliantly embodied the great leader's ideology and theory of chuche-based military development and thus strengthened and developed our army into an invincible, one-is-a-match-for-100 force.

The great leader Comrade Kim Il-song put forth the self-defense military line focusing on converting the entire army into a cadre army, modernizing it, placing all people under arms, and fortifying the whole country. He clearly showed the way to firmly defend the socialist cause of chuche against any difficulties.

The chuche-based military ideology and theory of the great leader is the eternal guideline for the KPA. The tested leadership of our respected and beloved Comrade Kim Chong-il has brought it to rich fruition.

As the respected and beloved supreme commander led the great cause of converting the entire army to the chuche ideology day after day, a revolutionary training ethos has been established, with all personnel trained to be fully prepared combatants, and all commanding officers to be almighty commanders. Meanwhile, chuche-based tactics based on the demands of modern warfare and on our country's specific conditions have been



developed and enriched, and the entire army has been firmly armed with those tactics. Based on the strong, modern defense industry, the KPA's combat strength, arms, and equipment have grown infinitely powerful. The KPA today is fully equipped with mighty offensive and defensive means, and is making its presence felt the world over as an invincible army that can crush any enemy attack instantly.

The great leader [yongdoja] Comrade Kim Chong-il has brought up the spirit of attaching importance to military affairs throughout the society, ensuring that the all-people's defense system with the KPA as its core is firmly established. All those achievements made in the course of strengthening our self-defense power constitute a firm guarantee by the force of arms for triumphant advances in the great cause of our way of socialism.

One of the accomplishments of the respected and beloved Comrade Kim Chong-il in the great cause of chuche-based military development is that he has brought the fine tradition of the unity between the military and the people to bloom in full blossom.

The relationship between the military and the people in our revolution is that of kith and kin sharing the same fate, of true comrades loving and helping each other wholeheartedly. This is a tradition that has been carried on since the first days of our revolutionary armed forces. The entire course traversed by the Korean revolution is the history of the unity between the military and the people who, with their united might, fought through hardships and moved forward.

The great leader [yongdoja] Comrade Kim Chong-il established [unity] as the most important work in firmly and permanently maintaining the chuche-oriented character of our revolutionary armed forces, and as an important link in strengthening the nation's defense and establishing the revolutionary ethos in the whole society in order to inherit and advance the fine tradition of the military-people unity. He has developed this work to a new higher stage.

Prevailing in our society today is the admirable ethos of the military and the people loving and helping each other, virtually as kith and kin. Our people view KPA personnel—the warriors of the comrade supreme commander—as their sons and daughters. They help them wholeheartedly so that they can fully devote themselves to defending the fatherland, while KPA officers and men defend the lives and properties of the people regardless of circumstance and do everything in their power for the people's well-being. Stories of the beautiful custom of the military-people unity being reported everywhere in the country, including on the

construction site of the Chongnyu Bridge (second phase) and the Kumnung No. 2 Cavern, show that the KPA and people are eternally united as one, inseparable, as they move forward upholding the respected and beloved supreme commander Comrade Kim Chong-il.

What the great leader [yongdoja] Comrade Kim Chong-il has accomplished in inheriting and advancing the cause of chuche-based military development constitutes precious revolutionary assets for our revolutionary army to hold on to steadfastly generation after generation. They bear vivid testimony to the greatness of Comrade Kim Chong-il, the peerlessly great commander blessed with exceptional resources, courage, and an outstanding art of command and deployment.

The respected and beloved Comrade Kim Chong-il is the most distinguished military strategist of our times and an ever-victorious iron-willed commander. The military wisdom of the respected and beloved comrade supreme commander is that of a clairvoyant who, even in the most complicated politico-military situation, maps out an ever-victorious stratagem to turn misfortune into blessing. His courage is that of the iron-willed, absolutely unperturbed even in the face of a million-strong enemy force. His art of command is an extraordinary one that spurs on every armed soldier a hundred and a thousand times more forcefully. The victories gained today in the fierce confrontation with imperialists, in which no bullets or shells are fired, and the brilliant results achieved in the strengthening of the defense power would both be inconceivable but for the tested leadership of our respected and beloved supreme commander Comrade Kim Chong-il.

It is the greatest honor and happiness for our people and KPA officers and men to have the great Comrade Kim Chong-il—the commander of all commanders, embodying wisdom, benevolence, and valor with absolute perfection—high over them as the supreme commander of the revolutionary armed forces, and as the leader of our party and state.

Today, we have before us the weighty but honorable task of strengthening the power of our revolutionary armed forces in every way to meet the demands of the prevailing situation and, at the same time, to accelerate to the end the cause of chuche-based military development begun in the forests of Mt. Paektu.

The great leader [yongdoja] Comrade Kim Chong-il pointed out:

**"The prevailing situation today demands that we further strengthen our people's army."**

The KPA is the basic force for the defense of the fatherland. It is the core unit of the chuche revolutionary



force. Our army's position and role in attaining the revolutionary cause of *chuche* is important indeed. The KPA always plays the key role, the leading role, not only in defending the fatherland with the force of arms but in strengthening the wholehearted unity of the revolutionary force and accelerating socialist construction as well. Today's reality indicates that only when the KPA is strengthened can the party be strong and socialist construction progress successfully. We must focus on strengthening the KPA's power as a fundamental matter that determines the destiny of the revolution, bending maximum efforts to that end.

We must, above all, continue to wage vigorous struggles to establish even more firmly the *chuche*-based system of command in the KPA and to consolidate the political and ideological strength of our revolutionary armed forces.

The *chuche* system of command established in the KPA today is the firmest and mightiest one under which the entire army moves as one under the leadership of the respected and beloved comrade supreme commander. It is based on personnel's ardent loyalty to the leader of the revolution that has become a faith, a moral norm, and a routine way of life.

The respected and beloved supreme commander Comrade Kim Chong-il and the KPA officers and men form a complete whole bound by the ties of ideology and consciousness, morals and ethics. KPA officers and men must keep the earnest teachings of the late great leader deeply engraved on their hearts—the teachings that the entire army should uphold the leadership of the respected and beloved supreme commander Comrade Kim Chong-il aloft—and share the leader's fate devotedly, defending the comrade supreme commander politically and ideologically, resolutely with their lives regardless of the circumstance. All military personnel should bring up in themselves even more firmly the revolutionary ethos of regarding orders of the supreme commander as their lives and fulfilling them thoroughly, unconditionally and absolutely flawlessly. At the same time, they should bring the fine custom of unity between officers and men and between the party and the public into fuller play to fully demonstrate the political and ideological superiority of our revolutionary armed forces.

The political and ideological strength of the revolutionary army should by all means be combined with military technical strength. All KPA officers and men should further step up combat and political training, holding aloft the slogan "Training is a combat, too!" They should thoroughly implement the training programs set forth by the party. All military personnel should firmly arm themselves with the military ideology and *chuche* tac-

tics of the respected and beloved comrade supreme commander. They should always maintain their combat readiness in order to cope with any development at any time, and continue to direct major efforts to strengthening KPA companies.

While firmly defending the fatherland, KPA officers and men must actively participate in the great socialist construction battle to carry out plans of the party, performing resoundingly heroic feats in it.

The defense of the socialist fatherland is the work of all the people. It is the sacred duty of all party members and working people to accelerate socialist construction while firmly defending the gains of the revolution, with a gun in one hand and a hammer and sickle in the other.

All the people must continue to concentrate their efforts on building the nation's defensive power, which is the most important of all the affairs of state, and firmly maintain their alertness and preparedness.

With high revolutionary vigilance, we must keep a close watch on the moves of enemies who carry out the same old maneuvers to isolate our republic and stifle it to death. In times of emergency all the people should become bullets and shells to instantly crush the aggressors and maintain an airtight defense of the socialist fatherland of *chuche*.

All party members and working people must display an even higher degree of the revolutionary spirit of self-reliance and fortitude, and wage vigorous struggles to thoroughly implement the revolutionary economic policies of the party to make our country, our fatherland, richer and stronger.

The wholehearted unity of the party, the army, and the people is the glorious tradition of our revolution. It is an ever-victorious banner. Historical experience of our revolution shows that as long as the leader is great and the revolutionary army and people firmly unite around him in one and the same mind, they will always win both in revolutionary wars and in struggles for creation and construction.

Today, and in the future as well, we must live by the ideology of wholehearted unity, win by the mettle of wholehearted unity, and fight through all hardships by the power of the wholehearted unity. All the people and KPA officers and men must unite even more solidly around the respected and beloved supreme commander Comrade Kim Chong-il and defend the center of that solidarity to the end. We must bring the fine custom of the military-people unity into fuller blossom, always remembering that the complete unity of the army and the people is a firm guarantee for victory of the revolution.



Reunification of the fatherland is the supreme task of our nation. Although there still are barriers to reunification standing in our way, we can surely accomplish that historic task because we have the respected and beloved Commander-in-Chief Kim Chong-il with us as the nation's leader. This year, marking the 50th anniversary of the liberation of the fatherland, all compatriots in the North, the South, and overseas should achieve decisive progress in the struggle for reunification. By doing so, they should further the effort to realize the cherished, lifetime wish of the great leader Comrade Kim Il-song, who had spared no pains for the reunification of the fatherland.

The road ahead for our people's army today offers infinitely bright prospects.

Today's KPA is the army of Commander-in-Chief Kim Chong-il. It is advancing by his strategy and winning by his courage and art of command. No force in the world can block the path of this invincible army. As in the past, in the future the KPA will forever continue to acquit itself fully of its mission as the leader's, the party's, and the people's army.

May glory be with the heroic KPA led by the iron-willed commander!

#### **Foreigners Pay Respects to Kim Il-song**

##### **Visit Kumsusan Palace**

*SK1108045295 Pyongyang KCNA in English  
0431 GMT 11 Aug 95*

[All names are as received]

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — The visiting delegation of the Belgium-Korea Solidarity Committee, Stig Strandh, former secretary general of the Sweden-Korea Friendship Association, and his companion and the delegation of the Swiss [as received] committee for supporting Korea's reunification on August 10 visited the Kumsusan Memorial Palace in which the great leader President Kim Il-song is preserved in state and paid homage to him.

Martin Lotscher, secretary general of the Swiss committee for supporting Korea's reunification, wrote in the visitor's book:

President Kim Il-song, the brilliant sun of chuche, will live in our hearts forever.

The Korean people, the world people and the working class of the world lost their tender-hearted father, their leader and their outstanding sun on the road to socialism, progress and liberation.

The great comrade President Kim Il-song was the only leader of the world.

Stig Strandh said that the exploits performed by President Kim Il-song for the revolution will always be kept in the hearts of the people.

He further said:

President Kim Il-song is not only the great leader of the Korean people but also the great leader of the progressive peoples of the world.

We will always remember him as the great leader.

##### **Leave Flowers at Mansu Hill**

*SK1108054495 Pyongyang KCNA in English  
0458 GMT 11 Aug 95*

[All names are as received]

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — A delegation of the Japan Society for the Study of Works of Kim Chong-il led by Yoshio Suzuki, president of the Hokkaido Society for the Study of Works of Kim Chong-il, visited the statue of the great leader President Kim Il-song on Mansu Hill on August 10.

The participants laid a floral basket and made a bow before his statue in boundless reverence.

The head of delegation said that the revolutionary cause of chuche led by his excellency respected Kim Il-song till the last moment of his life is being carried forward by Mr. Kim Chong-il successfully and Korea of chuche is making a shining progress.

He stressed that he would make more efforts to study and disseminate the chuche idea and develop the 21st century with Mr. Kim Chong-il.

On the same day Mongolian Ambassador to Korea D. Byaamba and embassy officials laid bouquets before his statue and made a profound reverence.

The ambassador expressed the belief that the Korean people will achieve great success in the implementation of the behests of President Kim Il-song under the wise leadership of His Excellency Kim Chong-il.

##### **Peruvian Party Heads Interviewed on Kim Il-song**

*SK1108101995 Pyongyang KCNA in English  
1010 GMT 11 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — Angel Castro Lavarello, president of the Left Revolutionary Union of Peru, and Alberto Moreno, general secretary of the Communist Party of Peru (Red



Motherland), gave answers to the questions raised by the director of the editorial board of the Korean Central News Agency on the first death anniversary of the great leader President Kim Il-song.

Angel Castro Lavarello said in his answer that in those days of the anti-Japanese struggle Comrade Kim Il-song, an outstanding thinker and theoretician, founded the *chuche* idea requiring to study everything centering on man and indicating that the popular masses are the undertakers of revolution.

"Comrade Kim Il-song also founded the Workers' Party of Korea, the most excellent vanguard party, on the basis of the *chuche* idea, set up the Democratic People's Republic of Korea and showed a model of Korean style socialism," he said, and added:

"The great Comrade Kim Il-song was the greatest of great men, veteran statesman of the world, legendary great man and person with outstanding intelligence.

"I hope that the glorious Korean people will more ardently revere and hold the great leader General Kim Chong-il who boundlessly loves them and continue to build the Korean style socialism of *chuche*".

Alberto Moreno said:

The idea of Comrade Kim Il-song is one always combined with practice.

His warm love for the motherland and belief in the strength of people are run through with the firm conviction of the future of socialism.

The unity and determination of the Korean people, the invincible will of the Workers' Party of Korea and the energetic efforts of Comrade Kim Chong-il, the leader of the Korean people, for the victory of socialism give encouragement and confidence to the Peruvian communists at the most complicated and arduous present time of the international communist and working class movement.

#### **Yi Chong-ok Attends Unveiling of Monument**

SK1108053895 *Pyongyang KCNA in English*  
0515 GMT 11 Aug 95

[FBIS Transcribed Text] Panmunjom, August 11 (KCNA) — A monument to the autograph left by the respected leader President Kim Il-song in the last days of his great life was erected before the Tongil House in the North side's portion of Panmunjom.

On July 7, 1994, President Kim Il-song, anxious about the reunification question of the country, read a piled-up document related to reunification without relieving his fatigue from his activities for the state affairs under the

midsummer heat and wrote "Kim Il-song. July 7, 1994" in the first page of the document.

The handwriting is engraved in the monument.

Besides the handwriting, it bears an explanation of 74 letters.

The total length of the granite monument is 9.4 metres and the panel of letters is 7.7 metres wide. This represents the unanimous feelings of the Korean people to record July 7, 1994 in the nation's history forever.

An unveiling ceremony of the monument was held on August 11.

It was unveiled by Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president of the Democratic People's Republic of Korea, and Kim Yong-sun, secretary of the WPK Central Committee.

In his address, Kim Yong-sun said:

"We must always remember with bitter sorrow that we cannot acclaim the fatherly leader Comrade Kim Il-song at the square of reunification. Instead, we must uphold the great leader Comrade Kim Chong-il with loyalty and filial piety, strengthen the singlehearted unity of our party and revolutionary ranks around him in every way and thus successfully implement the behest of the fatherly leader for reunification under the leadership of Comrade Kim Chong-il."

#### **'Our Own' Style of Socialism Called 'Superior'**

SK1108065095 *Pyongyang Korean Central*  
*Broadcasting Network in Korean*  
2244 GMT 9 Aug 95

[Dialogue between Hong Sun-pyong, associate doctor and professor at the Comrade Kim Il-song Work Department of Kumsong Political College, and station reporter Song In-ok: "Socialism of Our Own Style Is the Superior Socialism in Which All Members of Society Live Evenly"]

[FBIS Translated Text] [Song] How are you?

[Hong] How are you?

[Song] The respected and beloved leader Comrade Kim Il-song has taught: Although we cannot say that our people lead affluent lives, all people, including workers, farmers, office workers, and residents both in urban and rural areas, are leading happy, equitable lives without worrying about their way of life.

This teaching by the respected and beloved leader [suryong] is, I think, a precious proposition which has elucidated the superiority of the socialist material life



over the capitalist material life of the rich-get-richer and the poor-get-poorer and, in particular, one side of the peculiar superiority of the man-centered socialism of our own style.

[Hong] That is right.

[Song] So, today I would like to hear your comments on the fact that our country's socialism is a superior socialism in which all members of the society live equitably.

[Hong] Certainly. As everyone knows, material life is a very important aspect which forms the basis of social life. Therefore, socialist material life should be a sound material one which can contribute to realizing people's independent demands and to guaranteeing their creative activities. It should also be an equal material life in which all people live well without the gap between rich and poor.

[Song] I agree with you. Now, I would like to hear why the socialist material life should be a sound material life which can contribute to realizing people's independent demands and to ensuring their creative activities.

[Hong] Man wants to lead an affluent material life. The affluent material life that man wants means precisely a sound life which can contribute to realizing the people's independent demands and to ensuring their creative activities. In view of this, man's material life is separated from an animal-like life that is just for survival. It is also separated from the parasitic life of exploiters who live, only resorting to others.

Man's genuine material life is precisely a socialist material life. A socialist material life should be a sound one which contributes to realizing people's independent demands and to ensuring their creative activities. This is why a socialist material life is a superior material one that is thoroughly and basically separated from a capitalist material life.

In a capitalist society, rich men raise pets such as dogs, cats, and even pigs inside their houses. It is said that they go so far as to arrange birthday parties for their pets, spending several million dollars, hold a press conference farce, and enjoy the party with their pets.

As facts show, the capitalist life satisfies only the rich men's political ambition and paralyze man's body and spirit. Like this, the capitalist life is an unsound and dirty life which makes rich men evil persons who seek only wealth.

[Song] That is right. I think that socialist material life should be an equal material life in which all people live well without the gap between rich and poor.

[Hong] You are right. Men are independent beings. Therefore, everyone wants to live equally. The society which can realize such a demand is precisely the socialist society, because the socialist society is based on collectivism and the goal of the socialist society is to realize the complete social equality of all members of the society.

However, what is the people's material life like in a capitalist society? On the one hand, a handful of capitalists lead corrupt, depraved lives, grasping almost all social assets, while on the other hand miserable situations in which people are starving to death are unfolding. This is precisely the universal situation of the capitalist material life of the rich-get-richer and the poor-get-poorer.

[Song] In our country today, the basic demands of socialist material life have been embodied [words indistinct]. As a result, all people lead equitable, happy lives, do they not?

[Hong] Yes, it is true. Speaking of that, I think I should point out the fact that all people receive from the state and society the rights and conditions for food, clothing, and shelter. There are many countries in the world, but there is only one country in which the people have the rights and conditions for food, clothing, and shelter where these rights are guaranteed by the state. Not only this, when one reaches working age, one can work at a secure job and according to his ability. When a person loses his working ability he gets social security and benefits from the state. Our people are fully demonstrating their creative ability at their secure jobs without knowing what the word unemployment is.

[Song] That is right. I should say that the superiority of our own style of socialism, in which everyone leads equal, happy lives, is thanks to the people-oriented policies of the party and the state.

[Hong] I agree with you. The material life our people enjoy dwells precisely in the principle of equality and the principle of love toward our people. With the embodiment of these principles, our people not only receive as much as they worked for and as much as they earned, but also receive many additional benefits from the state. Let me cite one example. According to data collected in recent years, our people have received from the state necessary expenses for food, clothing, and shelter; benefits for free education, free medical care, social insurance, and social security; and the benefit of the abolition of the tax system. Consequently, each household has received more than 2,000 won [North Korean currency] on the average annually. Such a fact clearly proves the superiority of our socialist system, which has correctly combined the interests of



the collective with the interests of individuals. Because of this, regardless of whether they are workers, farmers, office workers, and urban or rural residents, all of our people are leading equitable, happy lives. In our country, in which all material assets created by the people have been used to promote the people's welfare, the people's material and cultural lives will be constantly promoted as socialist construction advances and the material assets of the society increase. Thank you.

#### **Self-Reliance of National Economy Touted**

*SK1108062395 Pyongyang Korean Central  
Broadcasting Network in Korean  
0500 GMT 10 Aug 95*

[Unattributed talk: "The Self-Reliant Economy Which Has Been Firmly Solidified"]

[FBIS Translated Text] The great leader Comrade Kim Il-song taught: Implementing the principle of self-reliance in economic construction, we have built a self-reliant socialist national economy which we operate on our own without being subjugated or dependent on others and which serves our people.

Today, our country has grown into a strong country with a self-reliant socialist national economy that functions with our own resources, technology, and national technological manpower. It is developed in diverse ways and equipped with modern technology.

Our machine industry, in which we can produce anything we want if we decide to do so; our metal industry, in which we can produce thousands of kinds of steel and secondary processed metal products and satisfy local demand completely; our chemical industry, in which we supply the raw materials for industry and which significantly contributes, in particular, to the development of the people's standard of living and the rural economy; and our light industry, which has thousands of local plants and light industrial plants across the country—because we have this strong self-reliant economy that has been firmly solidified, we could build numerous monumental creations, such as the Sohae Lock-gate, Kwangbok Street, and Tongil Street, on our own.

The might of our self-reliant economy is truly great. The large-size oxygen separator, which is said to be produced in only a few countries in the world, and the 10,000-tonne press were produced with our own strength and our technology.

A foreign friend, touring the Sunchon Vinalon Complex and Kwangbok Street, said: Touring the construction site of the Sunchon Vinalon Complex, I was amazed at the scale and speed of construction. However, when I toured the construction site of Kwangbok Street, which

is larger scale, I soon wondered whether I was in the real world or was dreaming. Truly, the strength of this country is inexhaustible.

This was an expression of admiration for the might of the self-reliant economy which was built by our people with perspiration under the leadership of the fatherly leader and the great leader Comrade Kim Chong-il.

Shining resplendently throughout the history of the development of the self-reliant economy, which dependably supports our country and which advances in strides, is the wise leadership of the great leader and our party.

The great leader brilliantly embodied the immortal *chuche* idea in the field of economic construction, and led our economy—a trivial economy which we inherited from the Japanese imperialists and which we started from scratch after being destroyed during the war—onto the present level.

With the firm conviction that as long as we have the party, the people's government, and territory, we can build a strong self-reliant economy even in an empty land, the great leader wisely led our people along the shortcut for building a self-reliant national economy.

The lines which the great leader elucidated anew and the policies which our party put forth—such as the basic line of economic construction on developing heavy industry with priority while developing light industry and agriculture at the same time, and the line of socialist industrialization on founding a self-reliant, modern industry and realizing the comprehensive technological reconstruction of the people's economy—were the shortcuts to building a self-reliant economy unparalleled in the history of economic construction of any other country.

(Hong Ung-sok), deputy director of a department of the State Planning Committee, states: The great leader Comrade Kim Chong-il, who implements the fatherly leader's grand plan, put forth the struggle targets and slogans to further develop and invigorate the self-reliant socialist economy, which the respected and beloved leader built, placing the cornerstone in an empty land after the war, and vigorously led our party and people to its realization. The dear comrade leader kindled the blaze of revolutionary automation across the country, thus boosting the level of modernization and automation of our people's economy, and wisely led our people so that the revolutionary policy of speed battle is thoroughly implemented in all fields of economic construction. By so doing, he enabled our people to highly display the dignified appearance of the *chuche* socialist fatherland, unfolding new chapters in



the 1970's, '80's, and '90's full of marked events in the history of building self-reliant economy.

Resolving the issue of national technological manpower is an important requisite to economic self-reliance. The fatherly leader and the dear leader Comrade Kim Chong-il placed major emphasis on this, and turned out a great army of technicians that manages and operates our economy. Our technicians designed the 10,000-tonne press and the large-size oxygen separator. Our technicians designed the construction of the Sohae Lockgate, Kwangbok Street, and Tongil Street, as well as various machines.

A foreign friend, touring the May Day Stadium, said in admiration that those who designed such a wonderful stadium must be world-renowned designers. Meeting our designers in their 40's, he was amazed and admiring, and said that the Korean technicians were all top-class technicians. Being told that a woman designer who graduated from our college designed the [word indistinct] with unique form and feature, he could not help admiring.

Today, our people are advancing more vigorously in upholding our party's revolutionary economic strategy to add luster to the 50th party founding anniversary as a grand festival of victors.

#### **People Volunteer for Forestry Stations, Farms**

*SK1108134895*

[FBIS Editorial Report] Pyongyang Korean Central Television Network in Korean at 1100 GMT on 10 August carries an under-one-minute report on 32 graduates of the Notan Senior Middle School in Kim Hyongchik County who collectively volunteered to work at the Notan Youth Forestry Station. The report states their road to upholding the fatherly leader's lifetime teaching, as well as the great leader [yongdoja] Comrade Kim Chong-il, is to follow the footsteps of their fathers and mothers who came here 30 years ago and became innovators and youth heroes.

Pyongyang Korean Central Television Network in Korean at 1100 GMT on 10 August carries an under-one-minute report on Comrade Han Chae-yong, a researcher of the Hygienics Department of Pyongyang Medical College who, along with his family, volunteered to advance to the Unha Cooperative Farm in Onchon County. The report talks about their determination to further contribute to strengthening the socialist farms and to achieve a bumper crop this significant year, the 50th anniversary of the party's founding.

Pyongyang Korean Central Television Network in Korean at 1100 GMT on 10 August carries an under-one-

minute report on Comrade Hong Kyong-u, a worker of the Patriotic Knitting Plant, who volunteered to advance to a socialist farm. The report says that after the respected and beloved General Kim Chong-il was told about this, he bestowed warm considerations. The report adds that Comrade Hong Kyong-u left for the farm filled with determination and amid the warm farewell of his colleagues.

### **South Korea**

#### **Cigarette Talks Scheduled for 21 Aug**

*SK1108054695 Seoul YONHAP in English  
0454 GMT 11 Aug 95*

[FBIS Transcribed Text] Seoul, Aug. 11 (YONHAP) — South Korea and the United States will hold a working-level officials' meeting on Aug. 21 to revise the record of understanding which regulates the sale of American cigarettes in the country, according to a Foreign Ministry official Friday.

During the three-day meeting in Washington, South Korea will discuss revisions to the record of understanding which would allow South Korean authorities the right to force foreign cigarette manufacturers to place warning labels on the front of all cigarette packs sold in the country, the spokesman said.

Imported cigarettes sold in the country can currently carry warning labels on only the side of cigarette packs.

South Korea will also try to persuade the United States to introduce an ad valorem tariff on imported cigarettes.

A fixed commercial tariff of 460 won is currently imposed on each pack of imported and domestically produced cigarettes in the country.

Seoul is also trying to scrap a clause in the record of understanding which calls for South Korea to get approval from the United States before raising the tariff.

Seoul also wants to ban the establishment of cigarette vending machines in areas frequented by juveniles.

The South Korean Government plans to introduce on Sept. 1 a new national health promotion law which will restrict the scope of cigarette advertising and replace the current fixed commercial tariff system with an ad valorem tariff.

If South Korea and the United States fail to reach an agreement on the revisions to the record of understanding, the new national health promotion law will run counter to the record of understanding, the spokesman feared.



**North Rejects Proposed U.S. Liaison Staffers**

*SK1108053195 Seoul MUNHWA ILBO in Korean*  
*11 Aug 95 p 2*

[Report by Yi Pyong-son]

[FBIS Translated Text] It was learned on 11 August that during negotiations for the establishment of liaison offices with the United States, North Korea claimed that it cannot accept so-called "pro-ROK personnel" including South Korea-origin Americans or Americans with South Korean wives as staff members to the liaison office. This has been one of the reasons for the delay in the establishment of liaison offices.

According to a diplomatic source in Seoul, the United States sent a list with the names of the eight members for its liaison office, to the North Korean side. North Korea, however, rejected Mr. Williamson, who is an interpreter, on the pretext that he had worked at the Sejong Research Institute [government-supported research organization in Seoul] in the past.

The United States has tentatively appointed Mr. Carl Richardson, formerly head of the ROK Division in the U.S. State Department, as the first-term chief to its liaison office, and Abiju [name as transliterated] as deputy chief, and notified North Korea of their appointment. While Abiju and Reynolds [name as transliterated] have worked at the U.S. Embassy in the ROK, however, North Korea has not offered any protest against these two officials, or the remaining seven members.

**North, U.S. Agree on Consular Protection Issue**

*SK1008114695 Seoul MUNHWA ILBO in Korean*  
*10 Aug 95 p 2*

[Report by Yi Pyong-son]

[FBIS Translated Text] On 10 August, a high-ranking government official revealed that the United States and North Korea agreed they will tentatively exercise consular protection rights for their people at the German interest mission in Pyongyang and at the North Korean mission in the United Nations, respectively, until their liaison offices are mutually established.

This official said that the number of American visitors to North Korea is rapidly increasing. However, with the establishment of mutual liaison offices being delayed, consular protection rights for them have been virtually ignored. Therefore, the two sides shared the view that exercising consular protection rights for their people is necessary even before the liaison offices are established, and thus reached an agreement.

It has been learned that the resolution of the issue of mutually establishing liaison offices between the United States and North Korea has been delayed because of the failure to narrow their differences as regards the transporting of diplomatic pouches and the selection of the sites of the liaison offices.

A reliable diplomatic source revealed that the United States is demanding that Panmunjom and Nampo Port be used for the bringing in and taking out of necessary material, including diplomatic pouches. However, North Korea has persistently refused the demand.

This source added that the United States decided to use the building of former East German Embassy in Pyongyang (presently the German interest mission), and acquired the tentative agreement of North Korea and the German Government. However, North Korea recently objected and put up stumbling block.

**Inter-Korean Contacts Begun in Beijing**

*SK1108095595 Seoul YONHAP in English*  
*0935 GMT 11 Aug 95*

[FBIS Transcribed Text] Seoul, Aug. 11 (YONHAP) — A working-level contact between South and North Korea was begun in Beijing Thursday night on the issue of South Korean rice vessel "Samson Venus" being held in the North, Vice National Unification [Board] Minister Song Yong-tae said Friday.

"A contact is underway in Beijing as we proposed and chances are big for the early repatriation of the ship and its crew members," he said at a cabinet meeting.

Attending the Beijing contact were Kim Hyong-ki, deputy unification minister for information and analysis, from the South and Yi Song-tok, a councilor at the North's Committee for the Promotion of External Economic Cooperation.

Kim Kyong-ung, spokesman for the National Unification Ministry, said the contact started late Thursday night. "I cannot discuss the progress of the contact since it is still underway," he said.

Another source said that in addition to the contact, behind-the-curtain talks were going on between officials of the Korea Trade and Investment Promotion Corp. (Kotra) of the South and the North Korean Samcholli General Co.

"We understand there has been a substantial progress at these talks," the source added.



**Editorials React to North's Detention of Ship**

SK1108091295

[FBIS Editorial Report] The following is a compilation of editorials carried in Seoul vernacular newspapers on 11 August pertaining to North Korea's detention of the ROK rice transportation ship "Samson Venus" and its crew, and the ROK Government's handling of the situation.

The pro-government SEOUL SINMUN carries on page 3 a 900-word editorial entitled, "Why Pick a Quarrel With the Rice Transportation Ship?" The editorial criticizes North Korea for branding as "espionage" an ROK crewman's act of photographing scenes at the port out of curiosity, and refers to North Korea as an "unpredictable, abnormal group." The editorial then points out that the opposition party and dissident groups' "harsh criticism" of the ROK authorities only encourages North Korea's attitude of contempt toward us. The editorial stresses that we should resolutely deal with the North's reckless behavior of picking a quarrel and urges that we provide food to our hungry compatriots in a dignified manner.

The moderate CHUNGANG ILBO carries on page 3 a 900-word editorial entitled, "Problems in Government's Attitude Toward North Korea." Expressing concern about the "confusion" observed in the government's approach towards North Korea, the editorial points out that "we are suffering from various types of insults and threats by North Korea even after we offered to build light-water reactors worth \$4-5 billion and to supply 150,000 tons of rice to North Korea as aid. People, both old and young, are dumbfounded by this situation." In addition, the editorial criticizes the government's policy of secrecy by noting that citizens were not made aware of the abduction of a pastor or the detention of the rice transportation ship and its crew by North Korea until the government reluctantly made the cases public 16 days and 8 days later, when the North Korean side officially raised the issue. The editorial stresses that the people are seriously worried about "a blind spot" in the government's policy toward North Korea, and points out the following two probable causes. One is "the sloppy appeasement policy" toward the North pursued by the government without correctly understanding the essential nature of North Korea, and the other is the hasty attempt to seek "visible results" in dealing with North Korea. The editorial notes that as the result of this, North Korea took advantage of our country, and deplores the ROK plan to "make an epoch-making proposal" to North Korea despite the fact that the North is not ready to respond to it. The editorial calls on the

government to keep in mind that North Korean policy should be based on strength, principle, and patience.

The moderate KYONGHYANG SINMUN carries on page 3 a 900-word editorial under the headline "Why Do They Hush Up Matters Concerning North Korea?" The editorial stresses that North Korea's detention of the Samson Venus, the ROK ship which transported rice to North Korea, has evoked "inexpressible indignation and a sense of betrayal" from our people, and that we can only seriously doubt the significance of our initiative for national reconciliation with North Korea, which went so far as to forcefully detain people who were offering aid. The editorial then criticizes the ROK Government for failing to inform the people of the ship's detention, and its excuse that the official announcement may have had an adverse impact on the crew's safe return and on the rice talks. The editorial points out that the government's attitude of fearing the rupture of Beijing rice talks would only encourage North Korea's arrogance and that many people are concerned about confusion in the government's policy toward North Korea, stressing it as a product of "a policy developed in secrecy." The editorial concludes by calling on the government to pursue its northward policy "in a more fair and dignified manner."

The left-leaning HANGYORE SINMUN carries on page 3 a 1,000-word editorial under the headline, "The Incident of Photographing Chongjin Port Should Not Be Extended." Noting that the third set of Beijing rice talks broke down due to North Korea's notification of its non-attendance due to the Samson Venus crewman's photography of Chongjin, the editorial urges both North and South Korean authorities to wisely cope with the incident by assuming a cool attitude so as to keep the incident under control. The editorial points out that North Korean act of branding the photographing as spying is ridiculous since espionage, if warranted, is possible via satellite. Noting the potential expansion of North-South economic cooperation in the future, and the potential long-term visits by many South Koreans, the editorial says that this photographing incident is "of great significance" in calling attention to the fact that even a small individual mistake made in the course of various exchanges in an atmosphere of "distrust" between North and South Korea may cause "a serious disaster." The editorial calls on the government to "exhibit wisdom and self-control so that such individual mistakes will not hinder the process of reunification."



**Kim Chong-il Sent Gifts to Pak Yong-kil**

SK1008115395 Seoul CHUNGANG ILBO in Korean  
10 Aug 95 p 23

[By reporter Yi Sang-yol]

[FBIS Translated Text] "A truckload of gifts from Kim Chong-il of North Korea." Presbyterian Pak Yong-kil, wife of the late Reverend Mun Ik-hwan, who has now been detained on charges of secretly entering North Korea without the ROK Government's permission (under the National Security Law), reportedly received gifts from Kim Chong-il upon returning to the ROK. This has attracted public attention.

After secretly entering North Korea, Presbyterian Pak laid flowers at a statue of Kim Il-song, attended the dedication ceremony of the Kumsusan Memorial Palace, and visited the tomb of Tangun. She reportedly received the gifts from Kim Chong-il via Kim Yong-sun, chairman of North Korea's Committee for the Peaceful Reunification of the Fatherland, at a farewell banquet on 29 September at the Mansudae Arts Theater prior to her departure for the ROK. Investigators say she received approximately 200 items of approximately 10 types, which include three 45cm-long wild ginseng roots, a set of silver spoons and chopsticks, and a 19-gram gold ring.

They also include three to four large portraits of the Rev. Mun Ik-hwan, pottery, calligraphy work, handicrafts, clothes, and liquor. Kim Chong-il gave her a large amount of herbal medicine considering her old age.

Investigators say that among the gifts, wild ginseng and some of the other gifts are very expensive because it is very difficult to obtain them in the ROK.

However, when she returned to the ROK via Panmunjom on 31 September, Pak carried only her handbag; the North Korean authorities parked the truckload of gifts at Panmungak in the North Korean sector of Panmunjom.

When shown the gifts in front of Panmungak, North Korea said [as received]: "The gifts will soon be delivered to Presbyterian Pak through a third country." Whether North Korea will try to mail the gifts is the focus of attention.

**Cholera Allegedly 'Spreading Fast' in North**

SK1108110295 Seoul YONHAP in English  
1054 GMT 11 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 11 (YONHAP) — Cholera has been spreading fast to almost all areas of North Korea after it first broke out early last May in the North, the NAEWOE PRESS specializing in North Korean affairs reported Friday.

"The epidemic has already stricken several thousand people and about ten persons die of the disease a day lately," it said.

Quoting foreign businessmen and overseas Koreans who have recently been to North Korea, NAEWOE said the whole cities of Wonsan and Kim Chaek, for instance, have been made off-limits to ordinary people.

It said that due to the epidemic, some rallies planned in Pyongyang and some major local cities have been put off until later dates and students' pilgrimage to "revolutionary relics" suspended.

Because of unsatisfactory quarantine programs caused by the short supply of medicines, cholera is expected to last through September in North Korea, Naewoe said.

**Government Considering 'Hard-Line' North Policy**

SK1108030895 Seoul CHOSON ILBO in Korean  
11 Aug 95 p 1

[Report by Ku Song-chae and Kim Yon-kwang]

[FBIS Translated Text] It was learned on 10 August that the government will make all possible efforts to realize a contact with North Korean side for early repatriation of the Samson Venus, the rice transport ship to North Korea, as well as its crewmen. However, if North Korea does not show sincerity, the government will work out hard-line northward policy, including the suspension of economic cooperation with North Korea.

A relevant high-ranking government official said that "North Korea has openly perpetrated an illegal act of detaining 20 innocent crewmen who carried rice to North Korea. If their early repatriation is not realized, the government may suspend private-level economic cooperation with North Korea."

On 10 August, the Foreign Ministry revealed that the ROK and the United States called on North Korea for immediate repatriation of the crewmen of the Samson Venus.

The ROK and the United States held high-level consultations in Honolulu, Hawaii, for two days from 7 August, between the ROK delegation led by Assistant Foreign Minister Yi Chae-chun and U.S. delegation led by Winston Lord, U.S. assistant secretary of state for East Asia-Pacific affairs. The two sides called on the North Korean side to immediately respond to North-South contact to resolve the recent incident in order not to damage the favorable atmosphere for inter-Korean dialogue, which was created with the rice aid to the North.

In the meantime, it was learned that with the occurrence of the Samson Venus detention following the abduction



of Pastor An Sung-un on 9 July, the government virtually withheld President Kim Yong-sam's proposal to North Korea, which was to be announced on the occasion of the 50th anniversary of national liberation on 15 August. A relevant official in the ruling circle said that "Up until the detention of the Samson Venus by North Korea broke out, the government had been discussing the president's proposal in depth with the United States and other countries. However, with North Korea's forcible detention of the rice transport ship following the kidnapping of the Usong ship and the abduction of Pastor An, the government is considering withholding the proposal completely."

#### **Government Announces Amnesty for 3,169 Prisoners**

SK1108093995 Seoul YONHAP in English  
0932 GMT 11 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 11 (YONHAP) — The government on Friday announced special pardons, paroles and the restoration of civil rights for a total of 3,169 criminal convicts, comprising prominent figures of the political and economic circles punished for their involvement in irregularities, public security offenders and 2,314 common criminals.

Under the amnesty marking the 50th anniversary of the country's liberation from Japanese rule next Tuesday, Honorary Chairman Chong Chu-yong of the Hyundai Business Group convicted of election law violations and former lawmaker Pak Chol-on convicted of bribery were pardoned and had their civil rights restored.

Nine other political figures—former lawmakers Yi Tae-sop, O Yong-un, Kim Mun-ki, Yi Tong-kun, Kim Hyong-nae, Kim Chong-in, Yi Won-pae and Kim Tong-chu, and incumbent lawmaker Chong Mong-chon—were granted the same clemency.

Among business leaders restored to their civil rights were Chairman Kim Song-yun of the Hanhwa Group, Chairman Choe Won-sok of the Dong-ah Group and Chairman Kim U-chung of the Daewoo Group.

Public action against former Pohang Iron and Steel Co. Chairman Pak Tae-chun involved in a graft case was dropped under a special pardon.

Former Defense Ministers Yi Chong-ku and Yi Sang-hun and other military leaders convicted of graft were also pardoned and reinstated of their civil rights.

Meanwhile, execution of sentence was suspended for long-term prisoners Kim Son-myong and An Hak-sop and such dissidents as Kim Chong-sik, Tae Chae-chun, Yi Chol-u and Yi Chong-hyon were pardoned. Kim Kun-tae of the National Congress for New Politics, Kim

Pu-kyom of the Democratic Party and such dissident leaders as Chang Ki-pyo, Kim Hyon-chang and Mun Pu-sik were granted restored civil rights.

Those who were given parole will be released from their prisons at 10 AM [0100 GMT] on Aug. 15, the government said.

But former Donghwa Bank President An Yong-mo and former Agency for Security Planning Director Chang Se-tong were not included among those pardoned.

Rep. Yi Pu-yong of the Democratic Party is also not included among those freed, as his case is awaiting a Supreme Court ruling.

#### **DLP Reshuffle 'Likely' This Month**

SK1108022695 Seoul YONHAP in English  
0159 GMT 11 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 11 (YONHAP) — A reshuffle of key post holders in the ruling party and cabinet will likely be announced as early as Aug. 20, sources at the Democratic Liberal Party (DLP) said Friday.

President Kim Yong-sam, who also heads the government party, was known to have informed DLP Chairman Yi Chun-ku of his reorganization plan when Yi briefed him on DLP affairs at Chongwadae [presidential offices] Friday, the sources said.

President Kim will likely conduct the major reshuffle sometime between Aug. 15, National Liberation Day, and Aug. 25, the midpoint of President Kim's five-year presidential term.

Previously, President Kim was reportedly planning to conduct the reshuffle in late August or early September.

Kim seems to have decided to advance the timing of the reshuffle due to the need to amend his political programs which arose in the wake of such developments as former Government Administration Minister So Sok-chae's controversial remarks on slush funds allegedly controlled by a former president, North Korea's detention of a South Korean rice-carrying vessel and some DLP lawmakers' moves to bolt the party.

But the scope of the reshuffle is likely not to be as large as originally expected, a DLP source forecast.

As to a DLP leadership change, President Kim will scrap the party's earlier plan to introduce a plural number of vice presidents and will instead replace some DLP key post holders but retain the present leadership hierarchy.

It is widely speculated that DLP Secretary-general Kim Yun-hwan will be named the new DLP chairman, replacing Yi Chun-ku.



A DLP official predicted that if Kim becomes chairman the post of secretary-general will be filled by a member of the "Minju" [Democratic] faction which has been loyal to President Kim since his opposition days.

He said DLP chief policymaker Yi Sung-yun is almost certain to be included in the reshuffle, while floor leader Hyon Kyong-tae will retain his post as he is elected at the party's caucus.

Meanwhile, an issue attracting attention is whether Prime Minister Yi Hong-ku will retain his post or not, but there may be a partial shakeup of some cabinet members, observers predicted.

A DLP official said, "There is a growing need to hasten the implementation of measures that will renovate the atmosphere of the party and the government due to recent incidents such as former Minister So's controversial remarks, North Korea's detention of a rice freighter and some DLP legislators' moves to bolt."

"In particular, opposition leader Kim Tae-chung's new party, which is holding a rally on Friday, is also playing a role in the advancement of the plan to reshuffle the ruling camp," he asserted.

#### **Foreign Ministry Announces Envoy Changes**

SK1108092995 Seoul YONHAP in English  
0745 GMT 11 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 11 (YONHAP) — The Foreign Ministry Friday appointed Research Commissioner Kim Kyung-chol of the Institute of Foreign Affairs and National Security (IFANS) Ambassador to the Netherlands.

IFANS Research Commissioner Yi Han-chun replaced Ambassador to Ukraine An Hyon-won. An was named IFANS Research Commissioner.

Minister Kim Chae-sop at the Embassy in Germany was named ambassador to the Czech Republic while Consul-General Yim Tae-taek in Frankfurt, Germany, was appointed ambassador to Cameroon.

Yim was replaced by Ambassador to Zaire Kim Chong-nok.

Consul-General U Chong-ho in Fukuoka, Japan, was appointed ambassador to Oman and Senior Coordinator for Planning and Management II Song Nak-min was named ambassador to Qatar.

Meanwhile, Consul-general Pae Tae-su in Nigata was transferred to Fukuoka and IFANS Research Commissioner Pae Yong-chin was appointed consul-general to Nigata.

#### **Technical Experts Agreement Inked With FAO**

SK1108021795 Seoul YONHAP in English  
0148 GMT 11 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 11 (YONHAP) — South Korea and the United Nations Food and Agriculture Organization (FAO) Friday signed an agreement to provide for the exchange of technical experts which will enable South Korea to join technology cooperation projects among developing countries.

The agreement concerning the use of experts for technical cooperation among developing countries, signed between Vice Foreign Minister Yi Si-yong and FAO Secretary-general Jacques Diouf at the Foreign Ministry, stipulates that South Korea will take part in projects undertaken by the FAO to help developing countries get technical experts.

The South Korean Government and the FAO will consult each other before selecting experts for each FAO project under the agreement. Providers of the technical experts will pay their salaries while host countries will pay for their living expenses. The FAO, meanwhile, will contribute a portion to the experts' salaries, insurance and travel expenses.

#### **Kim Yong-sam, Samsung Head Hold Tete-a-Tete**

SK1108004495 Seoul YONHAP in English  
0027 GMT 11 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 11 (YONHAP) — President Kim Yong-sam had a tete-a-tete talk with Yi Kon-hui, chairman of the Samsung Business Group, for an hour Monday afternoon at Chongwadae [presidential offices], it was belatedly known Thursday.

Chairman Yi paid a courtesy call on President Kim two days before his attendance at a luncheon meeting scheduled on Wednesday between the president and top executives of 30 largest business groups at Chongwadae, a Samsung group official said.

During the get-together, Yi reportedly made an apology for the trouble created by his controversial Beijing remarks in April, which disparaged bureaucracy.

They also exchanged views on measures to bail small- and medium-sized enterprises out, according to the official.

The one-on-one meeting is perceived by business circles to be conducive to rectifying the inconvenient relationship between the administration and the Samsung Group.

Following Wednesday's Chongwadae luncheon, Samsung made public a series of steps designed to help



smaller businesses, including an expanded payment in cash and an increase in loans.

#### **Kim Tae-chung Comments on Run for Presidency**

*SK1108055395 Seoul YONHAP in English*  
0533 GMT 11 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 11 (YONHAP) — Kim Tae-chung, advisor to the tentatively named National Congress for New Politics, said Friday he has no intention of running in the 1997 presidential race "if the people do not want him."

He made the remarks during a question and answer session of a talk show conducted at the new party's promotion rally held at the 63 Building in Seoul and stated, "I have no intention of being defeated four times. Three failures are enough for me."

But his statements are being perceived by many observers as an indication that he is willing to compete for the presidential post if the new party makes a significant impact in the forthcoming general elections slated for next April.

Referring to the issue of opening a path for the younger generations to enter politics, Kim emphasized he would never hinder juniors from running in the presidential race of 1997 if the people would not support him.

"But any presidential candidate should make efforts to obtain the will of heaven just like he must be supported by the will of 45 million people," he asserted.

Kim also hinted at the possibility of pushing for a parliamentary cabinet system after next year's general elections by stating, "We will be able to cultivate successors under the parliamentary cabinet system as the government's power is realized in accordance with the number of National Assembly seats held by each political party."

#### **NCNP Recruits 249 'Outside' Promoters**

*SK1008115495 Seoul YONHAP in English*  
1045 GMT 10 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 10 (YONHAP) — The National Congress for New Politics (NCNP), a new political party in the process of being inaugurated under the leadership of Kim Tae-chung, reported Thursday it had recruited a total of 249 outside figures as its promoters.

The total includes 28 in the legal circles, 41 academicians, seven ex-general officers, seven in the women's domain, 24 in the medical circles, 16 ex-public officials, 28 in the culture-sports area and 50 business persons.

The NCNP said these recruits, along with the 1,249 who have bolted or would bolt from the Democratic Party, would take part in the new party as promoters.

The list, however, does not contain the names of Seoul Mayor Cho Sun and three other large city mayor and province governors elected in the recent local elections on the Democratic Party ticket.

Prominent figures among the recruits include former Ministers Yi Tong-won, Sin To-song and Ho Chae-yong; ex-Constitutional Court Judge Pyon Chong-su and former Senior Judges Yi Yong-pok and Kim Chong-nam; and former Kyonghee University Vice President Cho Kyong-chol and Konkuk University Professor Han Chong-il.

Joining the new party from the veterans circles are Chon Yong-taek, former Emergency Planning Committee chairman; Yong Yong-il, former head of Intelligence Department of the Defense Ministry; and Kan Yong-tae, ex-naval operations commander.

Those picked up from the women's world are Chong Hi-kyong, a former delegate to the South-North Red Cross talks; and Myong Sung-hui, chairman of the Korea Mugunghwa Central Committee.

#### **Holds Promoters' Rally**

*SK1108100095 Seoul YONHAP in English*  
0651 GMT 11 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 11 (YONHAP) — The National Congress for New Politics (NCNP), a new political party being formed by Kim Tae-chung, initiated inaugural procedures in earnest Friday by holding a promoters' rally at the 63 building in Yoido, southwestern Seoul, with over 2,000 people including 1,498 promoters attending.

Permanent Adviser Kim Tae-chung was named chairman of the Inaugural Preparation Committee at the rally, with party Preparatory Committee Chairman Kim Yong-pae and former Korean Federation of Small Businesses Chairman Pak Sang-kyu named vice chairmen. NCNP is scheduled to hold a central party inaugural convention on Sept. 5.

The new party plans to soon form a parliamentary negotiation group with 54 district-elected lawmakers from among a total of 66 lawmakers participating in the new party. The remaining 12 lawmakers, elected under the national proportional representation system, are asked to stay with the Democratic Party until the forthcoming regular parliamentary session ends in December, as they would be deprived of their National Assemblymanship if they voluntarily bolt from the party.



Kim Tae-chung, who has remained in self-imposed political retirement since he lost in the 1992 presidential elections, has returned to politics and virtually become the leader of the major opposition party.

The Inaugural Preparation Committee is comprised of a 20-member Standing Committee, six subcommittees on general affairs (chaired by Rep. Kim Pong-ho), organization (Rep. An Tong-son), policy (Rep. Cho Sun-hyong), publicity (Rep. Park Sil), floor affairs (Rep. Sin Ki-ha) and planning (Rep. Pak Sang-chon) and the district chapter organizer Screening Committee.

The chairman and two vice chairmen of the Inaugural Preparation Committee along with 10 leading members of the committee including Reps. Kim Sang-hyon, Yi Chong-chan and Chong Tae-chol and 19 prominent figures recruited as party promoters were named "guidance commissioners." The latter category includes former Foreign Minister Yi Tong-won, former Unification Minister Sin To-song, former Construction Minister Ho Chae-yong, former Emergency Planning Committee Chairman Chon Yong-taek and former delegate to the South-North Korean Red Cross talks Chong Hui-kyong.

In its promotion declaration, the NCNP stated, "We've decided to form a new political party because under the established opposition framework neither the functions of presenting alternatives through criticism and restraint can be performed, let alone the posture for taking over power, nor can new politics be conducted."

Thus, the new party presented seven goals it would pursue, including the further opening of politics, a warm society, a clean environment and a hopeful future.

The promoters' rally adopted eight resolutions, one of which said in part, "We shall create a citizens' political party based on the middle class and representing the rights and interests of the citizens and strive to develop healthy politics."

#### **DP Criticizes New Party's Rally for Promoters**

*SK1108105295 Seoul YONHAP in English*  
0732 GMT 11 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 11 (YONHAP) — The opposition Democratic Party [DP] and its members who refused to join Kim Tae-chung's new party, tentatively named the National Congress for New Politics (NCNP), criticized on Friday the promoters' rally the new party held that same day.

The Democratic Party, in a statement, lashed out at the NCNP, saying, "The party promoters' rally held by Kim Tae-chung's new party deprives the citizens of their dreams and hopes, and marks the beginning its decline

from a public party into an individual's party and a regionally consolidated party into a locally divided one."

"We are confident that the self-interest and greed sought by the new party," the statement went on, "will infuriate the people and be subject to stern judgement by the public in the forthcoming general elections."

The Save-the-Democratic Party faction, meanwhile, commented, "The holding of the inaugural promoters' rally Friday in the wake of the Sampoong Department Store calamity and the controversial alleged slush funds involving hundreds of billions of won will be recorded as a tragic event in the history of the country's politics."

Renewing its early charge that the creation of the new party will turn back the hands of Korea's political clock by aggravating the nation-ruining regional rivalries and by splitting the opposition camp, Spokesman Che Chong-ku said, "We do believe that a large number of citizens who are indignant at regional rivalries associated with 'the three Kims'—(President Kim Yong-sam, Kim Tae-chung and Kim Chong-pil)—will join the road we will pursue."

#### **Guidelines To Support Small Business Announced**

*SK1108013395 Seoul THE KOREA HERALD*  
in English 11 Aug 95 p 8

[FBIS Transcribed Text] The government will legislate a special law to adjust the structure of small- and medium-sized enterprises in the last quarter of the year, the Ministry of Finance and Economy (MFE) and the Ministry of Trade, Industry and Energy (MOTIE) said yesterday.

Related to this, the government announced a package of basic guidelines to support smaller companies yesterday. It has also decided to work out detailed measures to strengthen the competitiveness of smaller businesses by the end of this month.

The basic guidelines, among other things, call for large companies to settle the payments to their subcontractors for the purchase of goods and service with cash instead of bills as much as possible.

At the same time, financial institutions will be urged to increase credit lendings to smaller enterprises without mortgage.

Banks and other financial institutions which expand credit loans to smaller enterprises will be given a variety of incentives from the government.

Despite the overall business boom, the number of bankrupted smaller enterprises in the first half of the year saw a high increase of 32.7 percent from a year



earlier, compared with the 18.4 percent recorded in 1994 and the negative 11.7 percent in 1993.

The government will also extend financial and taxational favors to smaller enterprises if and when they face serious financial difficulties because of the bankruptcy of companies with which they have business relations.

To solve the shortage of manpower and the wage stabilization, the government will allow smaller enterprises to employ part-time workers and hire workers dispatched from relevant companies on a temporary basis.

It will grant tax and financial favors to smaller enterprises pushing ahead with management renovation, factory automation and shifting business lines to promising ones.

The government's move followed the instruction of President Kim Yong-sam Wednesday to his cabinet members to work out a series of measures to support smaller enterprises, which suffer from high labor costs and manpower shortages.

Among those suffering a serious business slump are supermarkets, old-fashioned restaurants, inns, construction companies, real estate brokers and filling stations, officials at the MOTIE said.

In particular, labor-intensive light industries have been losing their competitive power mainly owing to high labor costs whose increase rate exceeds the growth rate of the productivity, they said.

The annual wage increase rate of workers in the manufacturing industry averaged at 15.8 percent during the 1990-1994 period in South Korea, compared with 3.2 percent in the United States, 2.4 percent in Japan and 9.7 percent in Taiwan.

Moving in step with the government's move to support smaller enterprises, major business groups, including Samsung, Hyundai, Daewoo and Sunkyong, have been working out a series of steps to extend financial support to their subcontractors.

The Samsung Business Group has decided to introduce the cash settlement system for the payment to subcontractors, now being implemented only in its electronics-related subsidiaries, to all affiliates beginning Monday, a group spokesman said.

Starting Sept. 1, the Samsung Life Insurance Co. will lower the lending rate to smaller enterprises by 1 percentage point to 13.14 percent annually, the spokesman said.

The Hyundai Business Group will increase the number of subcontractors, which will receive technical support

from the conglomerate, to 995 this year from 645 last year.

Meanwhile, the Daewoo Business Group has decided to extend 418 billion won (some \$550 million) in loans to smaller subcontractors for the development of new products and the purchase of raw materials this year, up 91.7 percent from a year earlier.

#### **Mugunghwa Satellite Enters Circular Orbit**

*SK1108101695 Seoul YONHAP in English  
0924 GMT 11 Aug 95*

[FBIS Transcribed Text] Seoul, Aug. 11 (YONHAP) — The Mugunghwa Satellite, South Korea's first multi-purpose satellite, has successfully entered a tentative circular orbit after its Apogee Kick Motor (AKM) was ignited Thursday [10 August] afternoon, the Korea Telecom (KT) said Friday.

Hwangbo Han, chief of the KT's Satellite Business Group, said in a press conference Friday afternoon that the orbit of the satellite was corrected by the AKM from an elliptical orbit to almost circular orbit.

One of the satellite's small propelling rocket was not separated after it was launched, making the satellite fail to enter the circular orbit on Aug. 5.

"According to estimation we made shortly after igniting the AKM at 8:59 PM Thursday, the satellite is going round the earth on an almost circuit orbit. It's apogee is 29,798 kilometers, while its perigee 26,777 kms," Hwangbo said.

The satellite was on an elliptical orbit with more than 20 degrees' slant from the zero degree of the earth, he said.

"But now the inclination degree is 0.07—only slightly higher than originally targeted 0.06 degree. It's not bad," he added.

However, it still remains to be seen whether or not it will enter the targeted circular orbit perfectly, Hwangbo said.

"If the satellite entered the circular orbit successfully, we plan to make the satellite antenna unfolded towards the earth in two or three days, and then within 10 hours, unfold the solar array panel. Then again, we will make the satellite enter the originally targeted geostationary orbit, using the station-keeping motor of the satellite," Hwangbo added.



**U.S. Firm Comments on Launch**

SK1108021395 Seoul THE KOREA TIMES in English  
11 Aug 95 p 3

[FBIS Transcribed Text] McDonnell Douglas [MD], which launched Koreasat, also known as the Mugunghwa satellite, into space Saturday, admitted that it failed to send the satellite to the desired orbit, said officials at Korea Telecom situation center yesterday.

The American satellite launcher confirmed the malfunction of one of the nine Delta-II boosters, admitting its responsibility for the flawed launch. The failure is reportedly the first after 49 successful satellite launches by MD, according to them.

To investigate the shortfalls in the Koreasat launch, McDonnell Douglas formed a committee, headed by Vice President Charles Ordahl, said an MD spokesman in Seoul. The committee will recommend all the necessary measures to correct the problem, he added. With MD's acknowledgement of its failure, Korea Telecom is soon likely to claim a compensation of 4.5 million dollars from MD.

On the other hand, the 10-year service span of Koreasat is expected to be cut in half due to the unsatisfactory launch, since it has to spend a substantial amount of its fuel to reach the desired geostationary orbit (GEO), according to Korea Telecom officials. To reach the

GEO, Koreasat has to use about 90 kilograms of its 187.5 kilograms of solid fuel, which was to last 10 years and seven months. It will take another one month to boost Koreasat into the GEO.

With the reduction in its life span of about five years, Korea Telecom is expecting 40 billion won in compensation, about half of the insured 81 billion won. The Koreasat project, an investment of 345 billion won, including the launch of a supplementary satellite Koreasat-II in December, are insured for about 160 billion won.

As soon as the Koreasat goes out of service, a supplementary Koreasat II is scheduled to enter the orbit in December. It will perform all of Koreasat's original functions, the official said. The delay of its entry into orbit will inevitably overhaul the Koreasat operation schedule, and it might delay the initiation of the Koreasat service scheduled for next January.

Meanwhile, the entry of the satellite into the GEO, now 6,351 kilometers below the designated point, was aborted again yesterday, due to a miscalculation of the most desirable entry position, said Kim Pong-chon, a director in the situation center. Another attempt will be made this morning, he said. The satellite itself is now maintaining normal communications with Lockheed Martin's earth station in New Jersey, he added.



**Burma****ROK Foreign Ministry Official Visits****Received by Foreign Minister**

*BK0808004895 Rangoon Radio Myanmar in Burmese  
1330 GMT 7 Aug 95*

[FBIS Translated Text] Mr. (Han Kyong-kim), deputy minister of Planning and Administration of the Foreign Ministry of the Republic of Korea [ROK] and a special envoy of the foreign minister of the ROK, accompanied by a member, arrived in Yangon [Rangoon] by air this afternoon. They were welcomed at the Yangon International Airport by responsible personnel.

U Ohn Gyaw, minister of foreign affairs, received and hosted a dinner in honor of the visiting deputy minister and party at the People's Park Restaurant at 1830 today.

**Leaves Rangoon**

*BK1108065895 Rangoon Radio Myanmar in Burmese  
0430 GMT 11 Aug 95*

[FBIS Translated Text] Mr. (Han Kyong-kim), a special envoy of the foreign minister the Republic of Korea and deputy minister for planning and management, and party left Yangon [Rangoon] by air yesterday morning.

**'Individual' Criticized for Hindering Foreign Aid**

*BK1008053395 Rangoon THE NEW LIGHT OF  
MYANMAR in English 1 Aug 95 p 5*

[Article by U Phyoe: "Let There be No Jealousy or Envy"]

[FBIS Transcribed Text] On the night of 15 July, the BBC in its news programme, broadcast a news item aimed at hindering foreign countries helping and assisting Myanmar [Burma]. I, U Phyoe, personally heard it.

What was astonishing to me in that was that the person who dissuaded foreign countries from helping and assisting Myanmar was not of the ilk of Khun Sar, the opium bandit or Bo Mya, the imperialist henchman terrorist. It was just one ordinary individual from among the masses who expressed that malice against the State Law and Order Restoration Council and the masses of the people.

That had been diametrically opposed to the person's usual rhetoric about forgiveness, unity and cooperation.

Friends and governments who, with a sincere desire to help Myanmar in economic and social development, have been assisting the State Law and Order Restoration Council Government that has been effectively serving

the interests of the country, are in reality contributing in one way to the welfare of the clergy and laity of Myanmar. It is the 45 million peoples of Myanmar who are going to directly benefit from such foreign assistance.

The only government capable of really and so swiftly achieving so much progress in promoting the peoples' living standard, in developing towns and countryside, in providing airports and seaports and in building pagodas, monasteries, hospitals, dispensaries and parks, so far as I have clearly seen in my whole life as a clergy and later as a layman, is the present government.

The State Law and Order Restoration Council is earnestly laying strong foundations and clearing the way for the future Myanmar to proceed in a democratic process harmonious to Myanmar customs, Myanmar habits and Myanmar culture. The State Law and Order Restoration Council is completely rebuilding the country that had tottered in all respects.

At a time when a government, capable of decisively implementing its noble intentions, is in power, there are certain financial and technological limitations restraining the government from doing everything it might wish to do every where. If not for such limitations and restraints, the State Law and Order Restoration Council would have definitely achieved a higher level of development than has now been achieved.

In recognition of this state of affairs, a number of sympathetic countries of the East, are now getting ready to help, as much as they could, the State Law and Order Restoration Council Government that has really, sharply and successfully been serving the interests of the peoples. At this juncture, as the Myanmar use to say, that a soup of Pyipannyo vegetable could have been quite sweet if not for an excess of salt in it, the above-mentioned hindrance was uttered by a person from inside the country, unafraid of the purgatory, unaware that it was a sin and unknowing that it was a mental defilement.

In order that lessons may be taken from this episode by the pious keeping sabbath during the Lenten Period, by the devout doing meditation and by all the benevolent and charitable Myanmar across the whole country, I might here offer some canonical advice as a gift.

What is Defilement (kilesa) [word in parentheses denotes Pali term]? It is something that scorches, that torments, that defiles, that causes sufferings. There are ten Defilements, as follows:

- (1) Greed, covetousness (loba)
- (2) Anger, hatred (dosa)



- (3) Delusion, not knowing the truth (moha)
- (4) Vanity, with head in the clouds and feet off the ground (mana)
- (5) Wrong concept, wrong concept of nature of things (ditthi)
- (6) Cynicism, doubt (vicikiccha)
- (7) Sloth, torpor (thina middha)
- (8) Mental instability, wavering (uddhacca)
- (9) Remorse (kukucca)
- (10) Jealousy, envy (issa macchhariya)

Of the ten above defilements, jealousy and envy is most abominable.

To resent some other person using what belongs to and what concerns one is known as jealousy (macchhariya). Mortals are more or less guilty of this defilement. Be it more or be it less, a defilement is still a defilement.

In this connection, envy (issa) is common mostly among those who do not know the Law.

Just consider the matter which I, U Phyo the exmonk, mentioned at the beginning. The State Law and Order Restoration Council is striving to build up the country in all sectors and all aspects. It has successfully organised all national groups to reunite. This is where a rejoicing is due, but that person shows no rejoicing. This is where any possible help is due, but that person offers no help: indeed the person even tries to obstruct and impede. My heart goes out in pity to that person for a deed so vile and so abominable.

During the current Lenten Period, may all creatures be able to ponder, practise and proliferate virtuous religious laws, may they be able to cleanse themselves of the evil laws of defilement that are scorching and that are sinful, may those that are already thickly coated with such defilements be able to peel them off with attention and awareness, may they be able to shed their vanity that has put their heads in the clouds and their feet off the ground, may they be able to eschew envy and jealousy, and may they be able to repent and remedy any envy and jealousy had they already committed them. This is to be my spiritual gift.

#### **Cooperation With ICRC, Office Closure Viewed**

*BK1008083195 Rangoon THE NEW LIGHT OF MYANMAR in English 31 Jul 95 p 5*

[Article by Kyaw Thu Win: "Co-operation between Myanmar and the International Committee of the Red Cross"]

[FBIS Transcribed Excerpt] [passage omitted] The ICRC set up a project office in Yangon [Rangoon] in 1986 to supervise the programmes carried out in

cooperation with the Government of Myanmar. Since all those programmes have been completed, the ICRC announced recently that it would close its office in Yangon at the end of July this year. However, the ICRC will maintain its regular contacts and co-operation with the Government of Myanmar and the Myanmar Red Cross through its regional office in New Delhi.

Negotiations has been going on with a view to signing a Memorandum of Understanding between the Government of Myanmar and the International Committee of the Red Cross with regard to prison visits under the ICRC's mandate authorized by the Geneva Conventions.

As a party to the Geneva Conventions and as a nation respecting and adhering to the noble principles and objectives of the Red Cross Movement, Myanmar will continue to cooperate with the ICRC in the future, on the basis of the existing principles of mutual understanding and cooperation.

#### **ABSDF Head Discusses Reviving 8888 Movement**

*BK1108070595 Bangkok THE NATION in English 11 Aug 95 p A10*

[Interview with Moe Thee Zun, All Burma Students Democratic Front chairman, by Correspondent Aung Zaw — place and date not given]

[FBIS Transcribed Text] The release of opposition leader Aung San Suu Kyi has revived the hopes of Burma's beleaguered student activists, many of whom have spent the last eight years in the jungles, under arrest or in exile after leading protests that toppled the Burma Socialist Programme Party (BSPP) regime of Ne Win in 1988.

Their once-powerful All Burma Students Democratic Front (ABSDF) is split today, but its revolutionary zeal has not diminished and its aims remain intact, said the best known of its leaders, Moe Thee Zun.

The former physics student said he believed SLORC [State Law and Order Restoration Council] was trying to avoid possible unrest by implementing short-term solutions, like the release of Suu Kyi, to appease the public and the world community.

"SLORC may have released Suu Kyi, but many others are still detained, including students and able politicians. What they should do is give people the freedom to work abroad. They should also offer incentives for those who want to put up a business. Instead, they are trying to buy off many activists and forging separate ceasefire agreements with armed ethnic organizations," he said.



"Dialogue between SLORC and Suu Kyi is the first step that should be taken. And after this other parties must participate," he added.

Moe Thee Zun said that despite the current weakness of the student movement, it still had an important role to play in the rebuilding of Burma. "We are the future," he proudly says.

"We had nothing when we fled to the jungle. We started from zero," he said.

But their experience has served them well and they have learned valuable lessons from their mistakes.

Moe Thee Zun, who was one of the leaders of the 8888 (8.8.1988) movement, was confident that the popular group could be reformed.

"We can't say if this will lead to democracy. But as far as we are concerned, we are committed to genuine democracy and peace in Burma. Although we will carry on with the armed struggle," he added.

He said the lives of ordinary people had not improved, but instead were getting harder and harder. "Only a handful of people are getting richer and richer," he said.

"When the people are starving, who can control their frustrations and anger?"

After he fled to the jungle to escape the political crack-down in Rangoon in 1989, Moe Thee Zun declared, "We could not solve our problems by political means. That's why we resorted to armed struggle. We were forced by the Tatmadaw [military] to take arms."

Also known as Myo Thant Htut, Moe Thee Zun (June hailstorm) is a graduate from Rangoon University. He became a popular student leader during the 1988 uprising and was the general secretary of the All Burma Federation of Students' Unions (ABFSU) (Ba Ka Tha). Like other organizations established before the uprising, the ABFSU was forced to go underground. After the bloody coup in September, Moe Thee Zun established and later led a political party, the Democratic Party for New Society (DPNS), which attracted a large number of students. While thousands of students fled to the jungle to take part in the armed struggle against the State Law and Order Restoration Council (SLORC), Moe Thee Zun and his close friends, including Burma's most popular student leader, Min Ko Naing (Conqueror of Kings), decided to remain in the cities initially "to watch the situation and to test the political waters."

However, they continued to play hide-and-seek with the military intelligence service. At the same time, Moe Thee Zun's newly-founded DPNS linked up with other political organizations, including Aung San Suu Kyi's National League for Democracy (NLD).

Even before the general election, the political clamp-down had already begun. Many well-known and popular figures, including Tin Oo, Aung San Suu Kyi and Min Ko Naing were arrested.

In Aug. 1989, then Brig Gen [Brigadier General] Khin Nyunt, Burma's powerful military intelligence chief, accused many pro-democracy activists of being Communist Party of Burma (CPB) supporters and traitors.

As the situation deteriorated, and with most of his friends in prison, Moe Thee Zun disguised himself to evade intelligence officers searching for him and fled to the jungle. Apart from torture, including electric shocks, he faced at least 20 years in prison if captured like close friend Min Ko Naing, who was serving time at Insein prison.

The ABSDF has become a target of ridicule for some but Moe Thee Zun said it was important to continue the struggle.

"It is like a big rock on the road. If we just keep looking at it, it will never move. But if we all help each other, we can move it," he said.

## Brunei, Malaysia & Singapore

### Malaysia

#### Mahathir on Japan's Not Joining EAEC

BK1108095595 Kuala Lumpur NEW STRAITS TIMES in English 9 Aug 95 p 1

[Report by Sharif Haron and Mazwin Nik Anis]

[FBIS Transcribed Excerpt] Johor Baharu, Tues — Several sections of the election laws need to be amended to overcome their weaknesses, Prime Minister Datuk Sri Dr. Mahathir Mohamed said today. [passage omitted]

Dr. Mahathir was also asked to comment on the recent statement by a Japanese official, who said the EAEC should only take off with the blessing of all countries of the larger Asia Pacific Economic Co-operation (Apec).

Dr. Mahathir said it was yet another excuse by Japan for not agreeing to the EAEC because it was still under the influence of the United States.

"Actually they (Japan) are not free ... and it is the U.S. that does not allow Japan to take part in the EAEC," he said.

Japan's Foreign Ministry spokesman Takeshi Nakane had said at the Asean Ministerial Meeting/Asean Regional Forum/Post-Ministerial Meetings in Bandar Sri Begawan last week that Japan firmly agreed that the



EAEC should be launched with the blessing of all Apec member countries and that any attempt to divide Apec should be avoided.

Nakane also said Japan would continue to seek the inclusion of Australia and New Zealand.

Dr. Mahathir said Asean, including its seventh and newest member Vietnam recently reaffirmed to an early realisation of the EAEC.

This commitment was contained in a joint communique at the end of the 28th Asean Ministerial Meeting.

"We don't really understand the Japanese Government. Earlier they said as long as Asean members agree, they will too. Now they bring in Apec."

Dr. Mahathir said Japan's latest position might delay the taking off of EAEC, but Asean countries would pursue the matter nevertheless. [passage omitted]

#### **Six Vietnamese Refugees Injured at Camp**

*BK1008101595 Kuala Lumpur RTM Television  
Network 3 in Malay 0530 GMT 10 Aug 95*

[FBIS Translated Excerpt] [Studio announcer Noormala Shamsuddin] The Vietnamese refugee transit camp in Sungai Besi has been placed on alert following an attempted riot by refugees in the camp. Let us contact Shamsul Shamsudin for the latest developments. Shamsul, please.

[Begin Shamsul recording] Thank you, Noormala. The situation at the transit camp for Vietnamese boat people in Sungai seems peaceful. No aggressive activities or actions have been reported. [passage omitted] [end recording]

[Shamsuddin] Thank you, Shamsul. Over 250 members of various police units were rushed to the Vietnamese refugee transit camp at about 0200 this morning [1800 GMT on 9 August] following the attempted riot. A Police Field Force [PFF] unit was sent to the camp after receiving a report that some refugees had attempted to escape. A convoy of 20 trucks belonging to the Federal Reserve Unit arrived at 0310 this morning to help the PFF control the camp. A group of Vietnamese refugees tried to riot after an assembly on the camp grounds. They beat drums and blew trumpets while singing. The lights in the camp were switched off, apparently deliberately, by the refugees. Malaysian Red Crescent Society ambulances were seen going in and out of the camp grounds. At same time, some refugees tried to use spotlights to attract the attention of people passing nearby. A four-wheeled vehicle belonging to Tenaga Nasional Berhad [privatized electricity corporation] was

seen entering the camp. The incident was the second in just over two months.

Meanwhile, Datuk Razali Yaakob, director for internal security and public order, visited the camp a short while ago. Speaking to reporters, he said the confusion occurred when the refugees opposed the construction of a fence in the camp. [passage omitted]

He said six Vietnamese refugees were injured during the incident. He said PFF Commander Haniff Omar has held talks with a representative of the Vietnamese refugees to seek a solution to the incident. Over 4,600 Vietnamese refugees housed in the camp are in the process of being repatriated.

### **Cambodia**

#### **Officer: Khmer Rouge Using Thai Chemicals**

*BK1108095195 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 11 Aug 95 pp 1, 11*

[Report by Peyatro]

[FBIS Translated Text] Over 100 government soldiers have been affected by chemicals with burns all over their bodies after washing themselves in streams near the areas where Khmer Rouge rebels are hiding.

General Huot Chhieng, deputy commander of the 4th Military Region, told REAKSMEI KAMPUCHEA on 9 August that the area most affected by the Khmer Rouge rebels' toxic chemicals is Sayang Kaoh Ke, south of Anlung Veng in Kulen District, Preah Vihear Province, where the 2d Division is deployed.

The general said that a warning has been given to people and government troops throughout Preah Vihear Province telling them to be vigilant, because these toxic chemicals are more dangerous than the ones the rebels used on the Route 10 front in Battambang last month.

The general specified that according to preliminary figures, at least more than 100 soldiers have been affected with burns all over their bodies after they used water in streams near their garrisons. However, there are no figures yet on how many have lost their lives.

General Huot Chhieng also said that the lacing of stream water with toxic chemicals took place in July and early August. No immediate reaction was felt from the chemicals by the government troops after they washed themselves in the streams. It was a few hours later that rashes developed on the victims' bodies; the victims kept scratching until their skin came off, which was followed by the development of open wounds. If the victims are not rushed to hospital, the wounds keep spreading, causing the victims to die.



The general said that packets of toxic chemicals used and left behind by the Khmer Rouge have been found along the streams. These indicate that the chemicals were bought from Thailand because along with a danger sign in the form of a skull there is Thai writing. These chemicals are suspected of being highly powerful insecticides.

It should be recalled that on 26 July 1995, along Route 10 in Battambang Province, 107 government soldiers were seriously affected after they used water from Tuol village and the O Chi Krey stream to cook rice. After drinking this water over 100 soldiers in various units felt hot inside themselves and threw up.

Experiments by doctors on these two toxic chemicals have not yet yielded results. However, a group of doctors has affirmed that the latest chemicals used by the Khmer Rouge in the Preah Vihear area are more dangerous than before because if the water containing these chemicals is consumed before it is boiled, it can cause burns in the intestine and stomach, leading to certain death.

#### **NADK on Prosecution of Khmer Rouge Soldiers**

*BK1108093595 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 10 Aug 95*

["Clarification" issued by the spokesman of the National Army of Democratic Kampuchea on 10 August; place not given — read by announcer]

[FBIS Translated Text] The two-heads and communist Vietnam have conjured up a scene regarding the so-called prosecution of Khmer Rouge soldiers in Kompong Som city [Sihanoukville].

The spokesman of the National Army of Democratic Kampuchea [NADK] would like to provide a clarification regarding this fabrication by the two-heads and communist Vietnam as follows:

1. This matter, like all other stories that have been invented in the past, has been concocted by the communist Vietnamese, the alliance, and the two-heads, who have always accused others of doing this and that whenever they face an impasse.

This fabrication [words indistinct]. They are the big liar, the big fabricator.

2. In fact, it is the the two-heads' self-appointed military and police authorities who have held up cars and robbed the passengers of their money and belongings. They have also robbed any foreigners and have stolen all their money and belongings. When the victims resisted, scolding and hitting at each other, the two-headed

military and policemen were very angry. They then took the victims to the jungle near Route 4, where they hit, kicked, and killed the victims and stole all their belongings. This is a fact that has been clearly affirmed by the people living along Route 4.

Why have the two-heads and the communist Vietnamese accused the others of doing all of this? It is because they want to excuse themselves, save their own skin, and fool the West into giving them more money. This is the main cause.

4. [number as heard]. The self-appointed elements along the roads are continuing these robberies and killings everywhere, on Routes 1, 2, 3, 4, 5, 6, and 7 and even on the waterways. They have robbed both Cambodians and foreigners [words indistinct].

This is what has happened in the two-heads' bandit regime and bandit city.

Just ask the Cambodian and foreign journalists about this matter — about how much they have to pay these self-appointed elements along the roads. If they refused to pay, they would be taken into the jungle, killed, and then robbed of everything.

They also killed the poor Cambodian people travelling around to visit their relatives who had no money to pay them. This matter has been spread throughout the world. The two-heads cannot deceive anyone about this matter.

5. In addition, the two-heads have continued their fascist, dictatorial acts both in the government and the National Assembly. They have been cruel and barbarous toward both the Cambodians and the foreigners. They have cruelly and barbarously abducted and sold children and terrorized and assassinated journalists, politicians, and members of various political parties.

This is the outcome of the work by the alliance and UNTAC [UN Transitional Authority in Cambodia] in coordinating with communist Vietnam to integrate the two-heads into a very cruel, barbarous, fascist, and dictatorial regime.

The death of the foreigners took place under this cruel and barbarous bandit regime. This matter [words indistinct] Cambodians and foreigners. The manslaughter under the two-headed regime will come to an end only by ending the communist Vietnamese war and the two-headed bandits who are arch cruel, barbarous, and fascist.

[Dated] 10 August 1995

[Signed] NADK spokesman



## Indonesia

### Protest Rally on Bosnia Staged at U.S. Embassy

BK1108051395 Jakarta KOMPAS in Indonesian  
11 Aug 95 p 7

[FBIS Translated Excerpt] Jakarta, KOMPAS — About 50 youths, who said they represented the Solidarity Forum for Bosnian Muslims, staged a protest demonstration in front of the U.S. Embassy in Jakarta on Thursday (10 August). The youths carried several posters, which questioned the U.S., UN, and EU stand on Bosnia.

The youths, who were standing in front of the U.S. Embassy on Medan Merdeka Selatan Road, forced a temporary closure of the embassy with police and Army personnel from Gambir District Command being put on alert status. The youths shouted "God is great" and clenched their fists. They also demanded that their five representatives meet with U.S. Embassy officials. However, the embassy was only willing to receive two of them, while the youths insisted on five representatives.

Moments later, Police Major T. Agus, chief of the Gambir police office, arrived and took firm action. He told the youths to leave because they were disrupting traffic in the area. "I want all of you to move to the police box over there," he said.

In its leaflets, the Solidarity Forum for Bosnian Muslims called on all parties that still have a sense of justice and humanity to show their solidarity for the suffering of Bosnian Muslims.

The forum also called on President Clinton to take concrete action on Bosnia with his veto power as approved and supported by the majority of U.S. Congressmen, namely calling on the UN Security Council to convene a meeting on Bosnia and lift the unfair arms embargo against that country. This will enable the Bosnian Muslims to defend themselves and their territory from Serbian aggression.

The forum also called on countries grouped in the European Union, which call themselves supporters of human rights in the world, to assist Bosnia and to put to trial Radovan Karadzic, Slobodan Milosevic, and General Ratko Mladic at the International Court as war criminals.

In light of the failures of UN Secretary General Butrus Butrus-Ghali in handling the Bosnian issue, the forum, which operates under the Indonesian Mosque and Missionary Institute, also called for his resignation. The forum also called on all Muslims in the world to extend material assistance as well as their prayers to the Bosnian Muslims. The forum's statement was signed

by Chairman Mohamed Naufal, Vice Chairmen Taufiqurahman and Rahmat Gunanto, and Secretary Hasbullah. [passage omitted]

### Suharto Urges Cooperation on Aircraft Development

BK1008123995 Jakarta Radio Republik Indonesia  
Network in Indonesian 0600 GMT 10 Aug 95

[FBIS Translated Text] President Suharto has called upon all Indonesians to cooperate in the accumulation of funds for the construction of a passenger jet that will be produced by National Aircraft Industry, IPTN. The president's call was made during a news conference after witnessing the turbo-prop N-250 aircraft's maiden flight in Bandung this morning.

The president, who was accompanied by his wife and by Vice President and Mrs. Sutrisno, said that approximately U.S.\$2 billion or an equivalent of 4 trillion rupiah would be needed for the construction of the N-2130 passenger jet, which has a seating capacity of 150. According to the president, such a huge amount could not possibly be included in the development budget. Because only eight years is left to complete the proto-type N-2130 aircraft, the president suggested that funding of the project be carried out through the sale of shares.

[Begin Suharto recording] I urge all Indonesians to consider this a national project that will bring our nation to the forefront and to consider the project as unlike any other. Let us rally our cooperative efforts to accumulate the U.S.\$2 billion that is needed.

We will urge the public to buy shares. We will first sell about 2.5 million shares at U.S.\$1,000 per unit. This means that only 2.5 million shares will be sold to the public. I believe that it would take less than eight years to reach our objective. For example, we will sell the shares in several stages. We will plan to sell about 150,000 shares in the first stage and 500,000 shares in the second stage, while the rest will be sold in the third, fourth, and other stages. We will provide opportunities for everyone to support this project — to all individuals and their family members who can afford to support it and to businessmen, mass organizations, industrialists, and also the provincial governments at various levels. [end recording]

Suharto also said that another possibility to accumulate funds for the construction of the N-2130 aircraft project was to sell off some state-owned agency resources. The head of state also reiterated that production of the modern and high-tech aircraft should be accomplished, because Indonesia would be left behind in the acquisition of aerospace technology if such a goal was not achieved.



Earlier, Suharto congratulated IPTN for its success in producing the N-250 aircraft, which conducted its successful maiden flight this morning. The aircraft, which is the nation's pride, successfully conducted a 50-minute flight with a smooth take-off and landing.

#### **Rudini on Succession Opportunities**

95SE0161B Jakarta KOMPAS in Indonesian  
12 Jun 95 p 11

[FBIS Translated Text] Solo (KOMPAS)—The public does not need to be pessimistic about whether there will be cadres for the next national leadership succession, because there are many reliable cadres in the sociopolitical and community organizations. In fact, the general chairmen of the PPP [Development Unity Party], GOLKAR [Functional Group], and the PDI [Indonesian Democratic Party] have the same opportunity for future nomination as president.

General, retired, Rudini, chairman of the Indonesian Institute for Strategic Studies (LPSI), said this to reporters Saturday, 10 June, in Solo after presenting a working paper in the National Regional Autonomy Seminar on the campus of the 11th of March University. Besides Rudini, the seminar also featured Banyumas District Chief Djoko Sudantoko as a speaker. Responding to reporters' questions about the possibility that Suharto will be re-elected in the 1998 national leadership succession, Rudini explained that so far there is no law that limits the Indonesian president's terms of office. "If Pak Harto [President Suharto] is still willing, and if 70 to 80 percent of the people still want him, there is no problem, in my opinion," he said.

He also noted that if a different cadre should arise, it is not necessary to compare him with Suharto, because Pak Harto has more than 25 years' experience. "The point is, we should not be pessimistic. Pak Harto emerged suddenly. People could not have anticipated it at that moment, but it is evident that he could lead the nation for 30 years," he said.

#### **'Opposition President'**

He said that the selection of Suharto to hold the top national leadership position at that time was because he was a reliable leader of the nation. "I am not merely praising Pak Harto. Other reliable leaders are given opportunities to be ministers. Each one is invited to make achievements, and the people will evaluate them," he said. The LPSI general chairman stressed that discussion of succession in national leadership should be left up to the mechanism of democracy. He said that sociopolitical and community organizations possess enough reliable cadres who can be nominated to national leadership positions.

He said that the general chairmen of the three existing sociopolitical organizations have the same opportunity for nomination as the next president. "That is, if they are nominated during the MPR [People's Consultative Assembly] session," he said.

Rudini added that if those that are nominated for the presidency lose, they should not set up an opposition. "If they lose the vote and the candidate loses, they should not be angry and set up an 'opposition president,'" he said. He said that the trend toward creating opposition organizations and opposition chairmen should be stopped.

#### **Personal Interests**

In his working paper, "Autonomy of Second-Level Regions in the Unitary State of the Republic of Indonesia," Rudini said that, although Law No. 5 of 1974 is 20 years old, implementation of the concept of a regional autonomy system (SOD) for second-level regions still needs persistence and patience. He said that the reluctance to accept an SOD for second-level regions is caused mostly by the emergence of interests of persons or groups who feel threatened politically or economically.

The LPSI general chairman pointed out that the main weakness of second-level regions in implementing an SOD lies in the economic and financial sectors as sources of regionally derived income (PAD). Until now, the level of dependence on the central government by second-level regional governments has been from 41 to 92 percent. From the aspect of second-level regional government budgets, the portion of APBD's [regional budgets] supplied by PAD is from a minimum of 8 percent to a maximum of 59 percent, whereas the remainder comes from subsidies by the central government or first-level regional governments.

#### **Military Commander's Comments on NGO's Noted**

95SE0161A Jakarta KOMPAS in Indonesian  
13 Jun 95 pp 1, 11

[FBIS Translated Text] Jakarta (KOMPAS)—The statement by Major General Wiranto, PANGDAM JAYA [Commander of Military Region of Metropolitan Jakarta], on the need to eliminate erroneous perceptions about community self-help groups (LSM's) is a breath of fresh air for LSM's and the community at large.

This was the view of some people who were interviewed separately by KOMPAS on Monday 12 June, for comments on Wiranto's statement. They were Hendardi, director of communications and special programs for the YLBHI (Indonesian Legal Aid Society Foundation); Zukri Saad, member of the Executive Council of the Indonesian Environmental Association (WALHI);



Indro Tjahjono of SKEPHI [expansion not given]; Adi Sasono, chairman of the Board of Directors of the Center for Information and Development Studies (CIDE); Abu Hartono, chairman of the DPR [Parliament] F-ABRI [Armed Forces Faction]; and Subagyo, member of Commission II from the DPR F-PDI [Indonesian Democratic Party Faction].

Wiranto said that the longstanding erroneous perceptions of LSM's must be changed. The view that LSM's are in opposition to the government and are trouble-makers must be corrected. "LSM's actually are the close partners of the government, because they help create regional stability," Wiranto said.

For Adi Sasono and Subagyo, what the PANGDAM JAYA said should have been said earlier, namely that LSM's should be recognized as valid parts of national development. In fact, Indro Tjahjono felt that the statement was something that the LSM's have awaited for a long time, because LSM's have been suspect for 20 years.

"Matters submitted by LSM's should become valuable input to the government. In doing their jobs, LSM's provide advocacy and a variety of social services that the government cannot provide because of its limitations," Adi said.

Adi Sasono also felt that the PANGDAM JAYA's attitude is a sign of the times, "in which the community is given a broader role in the democratization of development."

### Suspicion

According to Hendardi, the existence of erroneous perceptions of LSM's began with suspicion or lack of confidence toward LSM's on the part of the government apparatus. The government apparatus has often viewed LSM's as an enemy whose room to act must be limited. The "policy of prohibition" conducted toward some LSM's is one proof of this.

Hendardi said that this suspicious attitude by the apparatus emerged because LSM's try to create a limited space for democracy in the midst of formal political areas that do not function well in articulating the interests of the lower levels of the community. Cases of displacement of residents and increased numbers of strikes prove the dysfunctional nature of formal channels.

Abu Hartono said a similar thing. According to the chairman of the F-ABRI in the DPR, the nation will lose if LSM's are treated as enemies. LSM's should be embraced and not viewed as opponents of the government.

Of the thousands of LSM's in Indonesia, he said that at most one or two have a harsh position toward the government. The others largely act in the interests of lower levels of the community. "Why should the ones with the harsh positions be made the general measure for LSM's?" he asked.

Indro Tjahjono and Zukri Saad added that in other countries, LSM's are used positively as control organizations and simultaneously as additional pillars of support for community development. Funds channeled to LSM's by international groups are used as a complement to a government's official budget, which is relatively small in comparison to its population.

In Indonesia, Indro continued, the situation is backwards. "The government, giving the impression of wanting to control, rejects the LSM's and stops the flow of LSM funds so that the status or bargaining position of LSM's in the community will be reduced," he said.

Nevertheless, Adi Sasono said, the government's share of investment in the current REPELITA VI is only 27 percent, while most of it is left to the private sector. In a situation in which the private sector role is growing, more protection of the interests of the people must be done by community organizations, including colleges, the press, and LSM's.

"It is only natural that LSM's, because of the demands of their activities or because of situations, ultimately take positions as opponents. In the realm of democracy, differences of opinion and views are the valid rights of citizens. Such differences must be anticipated with a mature attitude by the various sides, and no excuses should be made," Zukri Saad said.

### Presidential Decision Not Needed

Hendardi felt that if the PANGDAM JAYA's statement is used as a guideline, legal provisions, such as a draft presidential decision on LSM's, will not be needed. This is specially true if plans for such regulation are oriented toward locking up the LSM corrective function. In other words, do not let there be any further repressive action against LSM's, such as cancellation of LSM programs.

The same hope came from Subagyo, who called for a disciplined attitude from the government in implementing Law 8/95 on community organizations. "With consistency between words and deeds, the efforts to make LSM's the partners of government in national development will be successful."

Meanwhile, Zukri suggested a national dialogue to set clear perceptions and standards for examining the place of LSM's. At the same time, such dialogue would hinder



certain people from establishing LSM's for the benefit of specific individuals or groups.

## Philippines

### Further Reports on Spratlys Dispute With PRC

#### PRC Ready for 'Talks'

*BK1008011295 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 9 Aug 95*

[FBIS Translated Text] Foreign Affairs Secretary Domingo Siazon revealed that China is ready to talk peacefully over the Kalayaan [Spratlys] Islands issues, after a closed-door meeting with Assistant Foreign Minister Wang Yingfan. According to Siazon, China is ready to use constructive measures to resolve the issues between the Philippines and China. He added that China also intends to use international law as a basis for resolving sovereignty issues in the Spratlys.

#### Differing Claims Noted

*BK1108085995 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 11 Aug 95*

[FBIS Translated Text] The Philippines and China remain firm on their differing claims to their Spratly Islands.

In a news briefing, Foreign Affairs Undersecretary Rodolfo Severino said China reiterated that the structures it built on Mischief Reef are only for their fishermen and that Filipino fishermen can go there freely.

On the Philippine side, Severino revealed that the country will push for the dismantling of the structures believed to be built for the Chinese military.

It will be recalled that the Philippines and China held talks recently on the Spratlys issue.

Meanwhile, the two sides agreed on a code of conduct to avoid the use of military force in resolving the dispute.

#### Agree on Code of Conduct

*BK1108042495 Quezon City Radio Filipinas in English 0230 GMT 11 Aug 95*

[FBIS Transcribed Text] The Philippines and China have reached a code of conduct to reduce the chances of a military conflict over the disputed Spratly Islands, but they remained far apart over a row that erupted last February when Manila discovered China had built structures on the Mischief Reef on a part of the Spratlys claimed by Manila. This was announced by Philippines' Foreign Affairs Undersecretary Rodolfo Severino. Severino spoke to reporters in a briefing after two days of talks with the Chinese delegation headed

by Assistant Foreign Minister Wang Yingfan. He said and we quote, eventually we hope all kinds of concerns will get on board, end of quote, adding that the code of conduct will govern the behavior of Chinese and Filipino military forces in the Spratlys.

The Chinese delegation was not available for comment, but the potentially oil-rich cluster of reefs are claimed in whole or in part by Vietnam, Malaysia, Brunei, and Taiwan. Both, the Philippines and China have sent troops to occupy several of these islands. Severino said legal experts from various countries will also discuss their respective claims but the venue and the date have yet to be decided — the first time China has agreed to (work) the question of sovereignty over the Spratlys.

China has (said) structures in the Panganiban Reef or Mischief Reef were meant to provide protection for fishermen and denied they have any military application.

The code of conduct will eventually lead to the reduction of forces in the Spratlys and reduce the chances of an accidental military confrontation in the area.

#### International Experts To Help

*BK1108003095 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 10 Aug 95*

[FBIS Translated Text] After two days of meetings between senior Filipino and Chinese diplomats, the Philippines and the People's Republic of China have agreed to seek assistance from international legal experts for the peaceful resolution of controversial issues in the Spratlys that caused the rift between the governments of Manila and Beijing. Foreign Affairs Undersecretary Rodolfo Severino explained that the experts will consider historical and other international laws in studying the Spratlys issues. Severino added that the international experts will render assistance through discussions and not through provision of actual solutions to the dispute.

[Begin Severino recording in progress, in English]... place great value on the relations between the two countries and on the peace and tranquility and progress of the region. [end recording]

#### PRC Fishermen Plead Guilty, Sentenced to Jail

*BK1108052295 Quezon City Radio Filipinas in English 0230 GMT 11 Aug 95*

[FBIS Transcribed Text] Sixty-two Chinese fishermen arrested in the disputed Spratly islands have pleaded guilty to malicious mischief instead of illegal fishing. [Word indistinct] told reporters the Chinese have decided to plead guilty to the (local) offense during a local court hearing in Puerto Princesa, Palawan on Wednesday.



In return, charges of illegal fishing against the Chinese were dropped. The ruling was cited in a court on Puerto Princesa in Palawan, 600 kilometers southwest of Manila. The 62 fishermen were caught last March in a part of the Spratlys claimed by the Philippines and have been detained in a jail in Palawan ever since. The maximum sentence for malicious mischief under Philippine law is six months in jail, the length of time the Chinese have been detained and [words indistinct] and they shall be released by next month.

#### **Manila, Beijing Study Exchange of Prisoners**

*BK1108092295 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 11 Aug 95*

[FBIS Translated Text] The Philippine and Chinese Governments are studying the possibility of exchanging prisoners. The prisoners are the 62 Chinese fishermen arrested in Palawan and the two Filipinos sentenced to death in China for drugs.

The possibility of exchanging prisoners was discussed during the meeting between President Fidel Ramos and a visiting Chinese delegation headed by its vice foreign minister.

According to the Chinese vice foreign minister, Ramos's request for executive clemency for Jun Efren Torres and Joel Aristobales is being carefully studied by the Chinese Government.

Meanwhile, Foreign Affairs Undersecretary Rodolfo Severino said the government cannot interfere in the Chinese fishermen's case because it is still being tried in court.

#### **Government Shows Interest in U.S. F-16's**

*BK1008054795 Quezon City MALAYA in English 8 Aug 95 p 2*

[Report by Jean Magdaraog; passages in italics in Tagalog]

[FBIS Transcribed Text] The Philippine Government is seriously considering buying the 28 U.S.-made F-16 jets whose sale to Pakistan was blocked by the U.S. Congress.

Foreign Affairs Secretary Domingo L. Siazon Jr. confirmed this but said the Philippines will have to bargain for easier terms because it might not be able to afford the price of the jets.

"We are considering *but they are quite expensive. Well, it depends on the terms.* We are interested and we would like to consider. Of course, we have a financial capacity limit so we would like to understand better the terms."

U.S. Secretary of State, Warren Christopher earlier raised in Brunei the possibility of selling the aircrafts to the Philippines and Indonesia.

Pakistan paid \$700 million for the aircrafts in 1989 but the U.S. Congress refused to allow the sale to go through because of reservations on Islamabad's nuclear program.

#### **Thailand**

##### **Minister on Freed Workers From U.S. Sweatshop**

*BK1108051795 Bangkok THE NATION in English 11 Aug 95 p A5*

[FBIS Transcribed Text] The Thai Consul in Los Angeles is to find new jobs for 25 Thai workers out of the 70 freed recently from a garment sweatshop factory in the suburb of El Monte, Foreign Minister Kasemsamoson Kasemsi said yesterday.

The consul, in cooperation with a garment federation, will help find new jobs for the Thais and subsequently facilitate the necessary procedure for them to obtain work permits so that they can work legally, Kasemsamoson said.

The consul will also provide to help those who want to return home.

The Thai immigrants entered the United States on the promise of making a large amount of money, only to find that they were to work in a garment sweatshop factory in El Monte. The U.S. police raided the factory on Aug 2 and freed the workers, 66 of whom were women.

The factory owner had been forcing the Thais to work from 5 am until midnight.

In addition to the 70 Thai workers, eight Thai citizens who operated the factory were charged with harbouring and shielding illegal aliens, concealing, as well as transporting, aliens in violation of U.S. immigration laws.

Some of the workers said they were held in indentured servitude for years to work off immigration costs as garment makers. They said they worked 17-hour days at \$1.00 per hour.

The minimum wage in the U.S. is \$4.25 per hour.

Kasemsamoson said that the Thais were now facing charges of illegal entry and the Thai government would provide financial support for them while they were out on bail.

"With the help from the garment federation in Los Angeles, the U.S. authorities have agreed to reduce bail from U.S.\$5,000 to U.S.\$500," Kasemsamoson said.



The Thais are being held at the San Pedro Processing Centre, charged with illegal entry and working without a permit.

It is the duty of the police and the [Thai] Labour Ministry to locate the owner of the factory, identified as Sanchai Phongraphin, who reportedly fled back to Thailand after the raid, Kasemsamoson said.

#### **Minister Views U.S. Comments on Investments**

*BK1008134795 Bangkok Radio Thailand Network in Thai 1200 GMT 10 Aug 95*

[FBIS Translated Text] Justice Minister Police Captain Chaloeam Yubamrung has spoken with reporters about the U.S. Government's comments about Thailand's current image, particularly a decline in its investment potential. He said it is not for him to make a rebuttal, but he would take note of the criticism as appropriate. He said no country is sincere toward others in international politics because each must basically mind its own national interests. He said that if a country feels an action is correct, it should continue. There is no need for retaliation.

#### **Envoy: Suu Kyi Supports Burma's ASEAN Entry**

*BK1108045695 Bangkok THE NATION in English 11 Aug 95 p A5*

[FBIS Transcribed Text] Aung San Suu Kyi has told Thai Ambassador Poksak Nilubon that she supports the Burmese military junta's decision to accede to ASEAN's Treaty of Amity and Cooperation.

Suu Kyi, released last month after six years of house arrest, also repeated her earlier comment that she does not want to leave Burma.

"Suu Kyi informed the Thai envoy that she agrees with Burma's accession to the treaty because it showed that her country respects regional principles," a well-informed source in Rangoon said in a telephone interview.

Poksak was the first ASEAN envoy to visit Suu Kyi, after receiving instructions from Thai Foreign Minister Kasemsamoson Kasemsi. He was seen entering Suu Kyi's house last Thursday carrying a bouquet of flowers, and spent about an hour inside.

Kasemsamoson had earlier said that Poksak did not carry any official message from the Thai government, since Suu Kyi was now a free person and could make her own decision on matters concerning Burma.

"Therefore, I allowed the ambassador to arrange the visit. The envoy is a good listener and we want to know her opinions on many issues," he said.

A group of ASEAN ambassadors in Rangoon had earlier arranged a "working lunch" with Suu Kyi only to be asked to reconsider by the military junta, the State Law and Order Restoration Council (SLORC). Kasemsamoson a former permanent secretary for foreign affairs, had said earlier that Thailand would begin either concerted or individual attempts to help promote democracy in Burma.

"Some people, including ministry officials, have accused me of being two-faced (for contacting both SLORC and Suu Kyi)," the minister said.

Burma acceded to the treaty during the ASEAN Foreign Ministers meeting in Brunei last month. It also applied for observer status. The seven-member ASEAN is considering the application and, if approved, Burma would be granted the status at the next ASEAN meeting in Indonesia.

In a separate interview, Kasemsamoson yesterday said Defence Minister Chawalit Yongchaiyut is expected to help ease "tense relations" between Thailand and Burma during his visit to Rangoon early next month.

"Gen Chawalit is expected raise bilateral problems and help solve them," Kasemsamoson said, adding that the Foreign Ministry will do nothing that might harm the already delicate border situation.

Chawalit is scheduled to visit Rangoon on Sept 1-2 as guest of the Burmese Defence Ministry.

Thai and Burmese relations have been strained since Rangoon began suppressing armed ethnic groups in the country, including drug kingpin Khun Sa's Mong Tai Army. The military action forced Burmese refugees to flee to Thailand and SLORC has accused the Thai government of harbouring them.

Recently leaflets were distributed in Rangoon and border provinces telling the Burmese to boycott Thai products in favour of those from Japan and Singapore.

#### **Democrat Party Proposes Own Political Reform**

*BK1108064995 Bangkok BANGKOK POST in English 11 Aug 95 p 6*

[FBIS Transcribed Text] The Democrat Party will submit an urgent motion to the Parliament to set up a special House committee to work out a national political development plan, it was reported.

The Opposition's proposal is seen as an alternative to the Government's Political Reform Committee, which the Opposition has refused to join.

Democrat Party executive member Alongkon Phonlabut has filed the urgent motion with the Parliament.



In response, Chat Thai Party (CTP) whip Pongphon Adireksan said yesterday that the Government is willing to support the Opposition's motion for the establishment of the special committee.

He said the setting up of a committee by the Opposition was constitutional since it was one of the prescribed tasks of the legislative branch.

The Political Reform Committee, chaired by CTP deputy leader Chumphon Sinlapa-acha will be under the separate jurisdiction of the administrative branch.

Mr Pongphon expressed a willingness to help coordinate if the Opposition fears its motion won't be supported.

However, the Opposition should not ignore the Banhan administration's efforts to reform the Constitution. They should send their representatives to join the Government committee on political reform.

Deputy Prime Minister Thaksin Chinnawat said political reform needed the cooperation of all concerned, adding it was the responsibility of all politicians. If the politicians want people to benefit from politics, they should turn to compromise with each other and be direct in their words.

He refused to comment on whether the Opposition's motion to set up a special committee to map out a democracy development plan should be supported, saying he has little experience in politics. The issue should be further discussed among the coalition parties, he added.

"It's not time to say this issue belongs to the Government or the Opposition. Our society has been wasting time for so long," he said.

Meanwhile, Senator Adm [Admiral] Kolak Charoensuk said the Parliament would reject the Opposition's motion as the Chat Thai Party would cite the fact that the Political Reform Committee has already been set up to undertake the same task.

This seems to be a political tactic and might lead to a never ending argument between the Government and the Opposition, he said.

At present, the Senate is not planning to set up a committee to look into political reform but will wait for the relevant bills to be worked out by the Government, Mr Adm Kolak said.

He said the two senators — Suchon Chalikhrua and Gen Sirin Thupklam — who had joined the Government's Political Reform Committee had done so on their own behalf, adding they did not represent the Senate.

### **Prime Minister, Military To Meet Every Month**

*BK1108050795 Bangkok THE NATION in English*  
*11 Aug 95 p A5*

[FBIS Transcribed Text] The first breakfast for Prime Minister Banhan Sinlapa-acha and military leaders will be held next Wednesday, Defence Minister Chawalit Yongchaiyut said yesterday.

The meeting at the prime minister's official residence in Ban Phitsanulok will be attended by Banhan, Gen [General] Chawalit, Supreme Commander Wathanachai Wutthisiri, armed forces chiefs and other senior officers, he said.

The meeting, however, will not be attended by Army Commander-in-Chief Gen Wimon Wongwanit, who has a prior commitment at the celebration marking the Army's Infantry day.

Subsequent meetings among the group will be held every month. The meetings have been called by Banhan himself, Chawalit said, adding that the premier, unlike his predecessors Gen Prem Tinsulanon and Gen Chatchai Chunnawan, is a civilian who wants to familiarize himself with the military.

He said even though the military has tried to make it clear that it will not get involved in politics, it cannot totally detach itself from politics because servicemen have a duty to support the government.

Asked to comment on speculation there would be change in the post of air force chief, Chawalit said such speculation was rife in the run-up to the annual reshuffle in the armed forces every year.

"I'm not going to tamper with the details of the armed forces reshuffle. I'm inclined to keep a clear divide between political and bureaucratic responsibilities," he said.

Air Force Chief Air Chief Marshal Siriphong Thong-yai, commenting on the same issue, said yesterday: "I feel nothing. Because I know full well that (any reshuffle in the air force) is up to the superiors."

The armed services has suffered criticism because as an institution it has failed to boost its image through good public relations, Chawalit told an air force audience yesterday.

The public views the armed forces as big spenders in the post-cold war era, he said.

The air force should develop itself in a significant way and follow the appropriate steps so the government and the public would rally to its support, he added.



The air force should take pains to make it known to the public that the armed forces are not just spenders of the public purse, but they are also givers and builders too, he said.

Past efforts by the armed forces at public relations have been a failure, the defence minister said.

#### Article Previews Army Reshuffle

BK1108062895 Bangkok BANGKOK POST  
in English 11 Aug 95 p 4

[FBIS Transcribed Text] Army Commander-in-Chief Gen [General] Wimon Wongwanit and his assistant, Gen Anuphap Songsunthon, will retire next October which leave key posts vacant. Gen Wimon's close associate Deputy Army Commander Gen Phaibun Emphan is strongly tipped to become the new army chief while controversial former First Army Region commander Gen Chainarong Nunphakdi is likely to get a key post in the army during the annual military reshuffle expected to be officially announced next month.

"It seems certain that Gen Phaibun would become Gen Wimon's successor in the army. If there was no change in the upper level then Gen Phaibun would certainly become the new army commander," commented a senior army officer who noted that the new army commander has been giving much public appearance during the past several weeks.

Gen Phaibun, a former commander of the Army Weapons Production Control Centre, was promoted to key posts after Gen Wimon. Gen Phaibun's former classmate in the influential Chulachomklao Military Academy Class 5, led by former army commander Gen Suchinda Khrapayun, became the army commander in 1992.

It should be noted that without the May 1992 incident, in which unarmed pro-democracy protesters were brutally suppressed by the army then under Gen Itsaraphong Nunphakdi, it was unlikely that Gen Wimon, then a deputy supreme commander, could become the army commander.

The military crackdown on May 1992 completely changed the centre of power in the army which at the time was totally controlled by army officers closed to members in the now-defunct National Peace-Keeping Council [NPKC], led by Gen Suchinda and Gen Itsaraphong, who played a key role in toppling the administration of former premier Gen Chatchai Chulhawan on 23 February 1991.

Several leading army officers considered to have close connection with the NPKC were removed after the May incident. They include former army deputy commander

Gen Wirot Saengsanit, who is now deputy permanent secretary for defence, and Gen Chainarong, tipped to be promoted to hold a key post in the army by Gen Wimon's order during the upcoming military reshuffle.

A year after Gen Wimon became the army commander, Gen Wimon promoted his former classmate to become the army chief-of-staff and in late 1994 Gen Phaibun was shifted to become the army deputy commander.

"Both men (Gen Wimon and Gen Phaibun) were close while they were military cadets. And when they grew up the relationship got much strengthened. One should not be surprised why the commander has much trust and faith in his friend," commented an army general.

Apart from Gen Chainarong, other leading army officers tipped to get promotion during the annual reshuffle include Gen Kitti Rattanachaya, Gen Thawan Sawangphan and Gen Narunat Kampanatsaenyakon. Both Gen Thawan and Gen Narunat are now army advisers while Gen Chainarong heads the army commander's staff officers.

Among the four, Gen Kitti who was moved by Gen Wimon's order to an inactive post in the army since he left the Fourth Army Region in late 1994 is considered to be the most senior army officer.

However, one army observer had totally ruled out any possibility that Gen Kitti, who will retire next year, would be promoted by Gen Wimon to hold a key post in the army during the annual reshuffle.

"No one doubt Gen Kitti's capability but his only mistake is that the army commander doesn't like him," said one military insider who noted that the general who won the heart of the Muslim people while he served in the South might be shifted to replace Gen Wirot who is tipped to become the new permanent secretary for defence.

Gen Chainarong, Gen Thawan and Gen Narunat were all promoted to become the army's four-star generals during the army mid-year reshuffle last April.

Gen Wimon was strongly criticised during last year's annual military reshuffle, when he showed his bias by promoting former First Army Region commander then Lt-Gen [Lieutenant General] Chettha Thanacharo to become a new army assistant commander and bypassed Gen Thawan Sawangphan who has more seniority than Gen Chettha, known to have established close connection with Gen Itsaraphong.

Gen Thawan was left unmoved in the deputy chief-of-staff position while Gen Chettha was named a new assistant army commander. Gen Chettha is likely to be



named the army's new deputy commander in the new military shakeup while Gen Suthep Siwara will still hold his present post — army chief-of-staff — for another year before retiring in 1996.

"It is quite clear that Gen Wimon has selected Gen Chettha to become Gen Phaibun's successor when Gen Phaibun retires in 1996. It is understandable why he (Gen Wimon) decides not to promote Gen Thawan," analysed an army general.

Gen Thawan and Gen Narunat are both former graduates from Chulachomklao Class 7, and Gen Chettha, a former graduate from Class 9, would both retire in 1998.

According to one military insider, he said there was much likelihood that Gen Narunat and Gen Chainarong, a close relative of Gen Itsaraphong, would be picked to hold key positions in the army.

"I'm quite sure that Gen Wimon would pick Gen Narunat and Gen Chainarong to become members of the 'Five Tigers' club," said the officer referring to five key positions — namely army commander, deputy commander, two assistant commanders and chief-of-staff

Gen Narunat was once a close aide of former army commander Gen Prayut Charumani who is now chairman of the Thai Military Bank while Gen Wimon is deputy chairman.

After the May incident, then First Army Region commander Lt-Gen Chainarong, whose forces were involved in the shooting of pro-democracy demonstrators, was moved to an inactive post by becoming commander of the Institute of Army Academics.

Gen Wimon brought Gen Chainarong back to the army last year when the former first army commander was named a new deputy chief-of-staff.

Asked earlier by reporters whether he would make any change on the proposed reshuffle list, Defence Minister Gen Chawalit Yongchaiyut said he was not a rubber stamp and would look into the matter if he saw anything improper.

"It is not his character to make any drastic change. He is known to favour a compromise political-style rather than an aggressive one.

"Unless he felt that something is really bad and he had to do something to maintain justice, then he might not make any change to the proposed list," said a three-star general, who had close relationship with the new defence minister, when asked whether Gen Chawalit would make any change to the proposed list if Gen Chainarong, who will retire in 1999, was really promoted by Gen Wimon to have a key post in the army.

**Armed Forces Request 4 Billion Baht for Arms**  
*BK1008065095 Bangkok THE NATION in English*  
10 Aug 95 p A2

[FBIS Transcribed Text] The armed services have made some Bt4 billion in extra budget requests for armament spending, the Navy chief said yesterday.

The Navy requested Bt1 billion for three coastguard patrol boats and one submersible mine sweeper, Navy Commander-in-Chief Adm [Admiral] Prachet Siridet said.

The Army requested some Bt1.5 billion to purchase 102 M-60 A3 tanks, spending which was authorized by the Chuan Likhai government, Army sources said.

The Air Force requested Bt1.5 billion in extra funding for arms spending, Prachet said.

Army chief Wimon Wongwanit said Defence Minister Gen [General] Chawalit Yongchaiyut is willing and ready to support all of the Army's spending plans.

He said he and Chawalit, as present and past Army chiefs, shared the idea that their mission included allowing officers under their command to achieve their goals.

He called on the Defence Ministry to see to it that a fund is created from which the rank and file could seek low-interest loans to buy property and homes of their own.

Wimon took members of the press to task for trying to depict himself and Chawalit as being "on a collision course", with reports of Wimon's failure to be present at a reception at the Defence Ministry last month in honour of Chawalit who formally took over the ministry.

The leaders of the other branches of the armed services were present while Wimon was represented by an Army general at the function.

Adm Prachet said yesterday the Navy reshuffle list has been completed and presented to Supreme Commander Gen Watthanachai Wutthisiri.

Prachet will remain Navy chief for another year.

## Vietnam

**Repatriation of Residents From Germany Viewed**  
*BK0908130995 Hanoi Voice of Vietnam in English*  
1000 GMT 8 Aug 95

[Station Commentary]

[FBIS Transcribed Text] Vietnam and Germany have reached a solution about Vietnamese citizens illegally



residing in Germany. The issue has a great significance in bilateral relations. Here is our radio editor's opinion:

Vietnamese residents in Germany is a complicated issue left behind by history. For a lengthy period now, Vietnamese citizens have arrived in Germany including those who came to the country under the agreement signed between the governments of Vietnam and the former German Democratic Republic. Many contributed [words indistinct] part to the economic development of present day Germany. Many were allowed by the German Government to settle in the country in accordance with German law as a foreign resident. However, a number of Vietnamese [word indistinct] illegally immigrated to Germany.

Germany has long wished to solve this issue of Vietnamese illegal immigrants. In 1993, the two countries started negotiating the issue. Up to now, they have held four rounds of talks including two held at government level. They finally exchanged their concerns over this period of goodwill and mutual trust and understanding. The two sides reached proper solutions. Noteworthy is that at the end of last July, the Vietnamese and German Governments reached an agreement on returning to Vietnam of illegal Vietnamese residents in Germany.

The repatriation will be done in the principles of order, safety, and respect for the returnees' dignity. Financial assistance will also be given to these returnees. The two sides ensured that could bring with them their personal money and property. Vietnam will treat them as other returnees from Southeast Asian countries. They will be assisted by the Vietnamese Government to quickly integrate in the community and have a job.

By reaching the agreement, Vietnam and Germany have removed an obstacle in promoting bilateral relations, particular economic and trade relations. The solution to this issue constitutes the base for both countries to settle other (burning) issues.

According to the weekly INTERNATIONAL AFFAIRS BULLETIN issued by the Vietnamese Foreign Ministry early this month, German Chancellor Helmut Kohl is expected to visit Vietnam early this November. Positive developments will surely be [word indistinct] in relations between Vietnam and Germany.

#### **Government To Extradite Contract Worker to ROK**

*BK0908124195 Hanoi Voice of Vietnam in English  
1000 GMT 9 Aug 95*

[FBIS Transcribed Text] Vietnam will extradite to South Korea a man charged of swindling money meant to pay for Vietnamese contract workers. South Korean police

are due to arrive in Vietnam on Wednesday to take Lee (Chong Hen), 37, back home. Lee is the fourth South Korean to be extradited from Vietnam. According to a Korean diplomat, Lee posed as a broker offering to help South Korean companies find Vietnamese eager to work in South Korea. The South Korean police issued a warrant for his arrest in July after he accepted a down payment from one firm and reneged on the deal, fleeing to Vietnam without providing any workers.

#### **Party Leader Urges Stronger Police Force**

*BK1108080895 Hanoi VNA in English  
0641 GMT 11 Aug 95*

[FBIS Transcribed Text] Hanoi VNA August 11 — The Communist Party General Secretary Do Muoi has called upon the Vietnamese Party and people to strengthen the police and security forces to successfully preserve national security and maintain public order and safety in the present stage.

Honouring the 50th anniversary of the founding of the police and security forces (August 19), the party leader said in an article carried by the national daily NHAN DAN today that more than ever before the force must be a fore-runner stand in the van in the defence of national security. He added "in the course of broadening social democracy and carrying out our open-door policy, hostile forces have been intensifying their heinous attempts and acts against the growth of Vietnam in an effort to overthrow our regime and deprive our people of their revolutionary gains."

After recalling the forces' successes in safeguarding the party, the government and the revolutionary fruits as well as the people's life and property over the past decades, Do Muoi noted, "in peaceful construction, the forces have always worked together with the army and other branches and the administration at all levels as well as mass organizations to make full use of the combined strength of our political system and build a strategy with people engaging in national security defence to ensure political stability and public safety."

"Today, in the new situation, Vietnam has spared no efforts to capitalize on new opportunities and chances to surpass present difficulties and attain a sustainable development to achieve the country's strategic tasks of building and defending a socialist country. As a result, the Vietnamese people, including the police and security forces, have to preserve peace and ensure political and social stability, thus centralizing every potential for national construction and development," Do Muoi said.

The party leader also urged the forces to enhance their key role in crime control and also in the fight



against wasteful spending, corruption, smuggling, tax evasion, drug abuse, prostitution and other social evils. The forces must also take part in the campaign to combat HIV/AIDS, depraved and pornographic culture and public disorder to restore social order and discipline, he added.

**Minister on Privatization of Power Production**

952E0085 Ho Chi Minh City TUOI TRE  
in Vietnamese 13 Jun 95 pp 1, 11

[Interview with Energy Minister Thai Phung Ne by Huy Duc; place and date not given: "Interview With Minister Thai Phung Ne on Power Outages — Some Power Sources Will Be Privatized"]

[FBIS Translated Text] **At present, due to a shortage of capital invested in the supply of electric power, sometimes there are up to 500 power outages per month in Ho Chi Minh City, in spite of the fact that there is no shortage of power sources. However, according to Energy Minister Thai Phung Ne, within only a few more years, the worries will be about not only the power grids but also the power sources. Today electric power can be brought from the North, but the North will also be short of power by the 1996-1997 dry season. The electric power sector needs US\$1 billion per year to overcome this situation. But where does the money come from?**

[Duc] The recent power outages have been explained by sector corporation directors as resulting from a shortage of money. Please let us know your opinion on this.

[Ne] In this situation, we realize that the power sector has had shortcomings. The best attitude now is to remedy the situation, to try to overcome it, but I must say that it cannot be done overnight.

[Duc] Then what is the direction to be set for investment in the power sector and aimed at overcoming this situation?

[Ne] The director general of the Vietnam Power General Corporation has answered this question in an interview given to the press.

[Duc] But we would like to have your own opinion for printing in TUOI TRE.

[Ne] I don't want to say anything because while there are negative facts, it is not advisable to talk about a set direction, about something general.

[Duc] Then we would like to ask you about more practical things. To be short of capital is a common situation for our state and sectors. However, many sectors have managed to attract invested capital from other sectors, foreign countries, and the domestic economic compo-

nents. The power sector itself has obtained almost no substantial investment from any nonbudgetary sources of capital. Can you tell us why?

[Ne] I can answer this question. Implementing the common policy, the power sector also wants to diversify the forms of ownership. We have called on foreign and domestic organizations to invest capital, but the price of electricity, now and in the far future, will not attract investors yet. Let me use an example about an investor building a power plant, the wholesale price of electricity that will ensure his making profit must be 5-6 cents/kW. Now as this price goes through the grid and electricity is sold to households, at least 3 cents must be added to it, which will go beyond the ability to pay considering the current price structure. In the meantime, the power sector cannot buy electricity from investors and resell it at a loss to consumers. Of course, we still raise this point to investors. At a certain point in time, we will consider privatizing a number of power sources.

[Duc] But talking about power grids, do you think that other enterprises can invest in developing some small grids, buy electricity from the power sector, and resell it to consumers from their own grid?

[Ne] While domestic enterprises do not have the ability to invest in power sources yet, they are perfectly capable of doing things that way. In Haiphong today we have a pilot project in which investors build power grids in a number of localities and buy electricity from the sector. These investors resell electricity to consumers at prices set by the state. I am discussing with Chairman Truong Tan Sang the setting up of a same pilot project in Ho Chi Minh City.

[Duc] Does it mean that right now investors can invest in power grids in some localities, such as the new residential subzones, and are allowed to buy electricity just like the power corporations?

[Ne] Yes. We welcome such activities and we hope that there are corporations interested in such investment to which we will sell electricity at current wholesale prices, provided that they resell electricity at prices set by the state.

[Duc] You strongly welcome such investors, by why there has been no investment of this kind yet?

[Ne] An extremely fundamental reason is that they have not yet seen any possible profit in the current electricity prices. Other countries do not limit the prices of electricity sold to the people, but in our country electricity prices are a kind of prices that is managed by the state.



[Duc] Can you let investors sell electricity at the price that they and the electricity-consuming households agree on?

[Ne] That will take a long time to happen, considering the policy of the party and state. The management of the prices of some strategic goods, such as electric power, is aimed at ensuring the basic needs for citizens. If we allow selling electricity at any prices, many people will be unable to use electricity.

[Duc] But on the other hand, it will impede the growth of the power sector. In fact, in some localities, due to the fact that the power sector is short of capital, its grids become degraded, and considerable losses exist, the people must "bear" electricity prices of up to 1,000 dong/kW. Should we keep subsidized prices, or should we break them up and let them act for the development of the power sector? Do you think that when the power sector is developed, the people will be served better?

[Ne] This issue, as I have just answered, must depend on gradually encouraging private corporations, or foreign private organizations, to invest. But it must be done step by step. Even when we privatize the power sector, I mean, regarding the sources of power, we cannot go for 100 percent privatization. If we do not control with an appropriate degree of privatization, it will to some extent affect the overall management of the sector and automatically we will lose what we have had so far. The degree of privatization, in my opinion, should be around 30 percent.

[Duc] Did you ever wonder whether the model of state-subsidized distribution of power to organs in the sector (prior to the end of the 1st quarter of 1995) has slowed down the growth of the power sector?

[Ne] Each and every stage of operation and management is dependent on the needs of the economy. If in the past the power sector had been organized as it is now, it would have been incapable of operating. The reason was that prior to 1993 electricity prices had been unable to compensate for production expenses.

[Duc] From the 2nd quarter of 1995 on, the power sector has begun to be organized in the direction of profit-and-loss accounting. Under present conditions, when the various business sectors have begun to consider customers "god," why are customers in the power sector still subjected to inconveniences and not considered "god" yet?

[Ne] If we are allowed to sell electricity at business prices (instead of just covering for the losses as prices go now), if those customers who consume more get cheaper prices, customers obviously must be "god." But in the power sector, the more electricity customers consume, the higher prices they must pay. So the main problem is electricity prices. In the power sector, of course, if customers are given a hard time just because of an overbearing behavior, any such cases must be punished.



## Australia

### Trade Minister Welcomes French Decision on Tests

BK1108060595 Melbourne Radio Australia  
in English 0500 GMT 11 Aug 95

[FBIS Transcribed Text] The federal trade minister, Bob McMullan, has welcomed France's decision not to continue nuclear test after the signing of a Comprehensive Test Ban Treaty [CTBT]. Senator McMullan says it's a victory and probably the most important development so far in the fight against French nuclear testing, but he says it will not halt Australia's objections to tests at Mururoa Atoll later this year.

[Begin McMullan recording] I suppose it would be childish not to welcome the fact that there is a progress on other fronts, which may in the long term be very important for Comprehensive Test Ban Treaty and may in the long term make the world the better place. [end recording]

### Government Moves Against Nuclear Testing Viewed

BK1108133095 Sydney THE AUSTRALIAN  
FINANCIAL REVIEW in English 3 Aug 95 p 12

[Editorial: "Politics Drives Fight With Paris"]

[FBIS Transcribed Text] Barring Dassault Aviation from competing for the \$740 million [Australian dollars] contract to supply jet fighters to the Australian airforce has much more to do with the next Federal election than with trying to make France reverse its decision to carry out eight more nuclear tests at Mururoa.

Having initially responded with a degree of restraint, only to find it had misjudged public opinion, the Federal Government has been desperately attempting to counter any suggestion that it has been too soft on the French.

The unreasonable treatment of Dassault is the latest, and most extreme, manifestation of this fairly blatant bidding for popular support. Certainly there is little doubt that the Minister for Defence, Senator Ray, fully expected that his decision to bar Dassault would provoke a quick response from France.

In fact, there is equally little doubt that he would have been very disappointed if it hadn't. If the French, instead of recalling their ambassador, had shrugged it off as just another anti-nuclear protest the whole political point of Senator Ray's action would have been lost.

Without an equally dramatic French response, the barring of Dassault would have done little to boost the Government's political stakes. With it, the chance of regaining the political initiative, at least on this particular issue, has been greatly enhanced.

The trouble is, the cost of this strategy is at best unclear and, at worst, potentially very high. Certainly, France's hard-line approach to international relations suggests that it would be very unfortunate if, after the Mururoa confrontation is over, it continued to carry a deep-seated resentment towards Australia.

While France's heyday as a global power is, like Britain's, firmly in the past, it still wields significant influence. Doing diplomatic battle in the world's various official arenas is hard enough without confronting France as a permanent antagonist.

The recalled French Ambassador, Mr Dominique Girard, yesterday played down the risk of such an extreme outcome. In true diplomatic style, he noted that there was always room for settling differences. The relationship, he said, would be mended.

Mr Girard did not, however, rule out the possibility of France retaliating but instead noted that it was studying measures which could be taken.

Many Australian exporters, but particularly farmers, will find it hard to imagine what France could do which would be more damaging to our interests than its existing protectionist agricultural policies. From their perspective Australia has little to lose from confronting the French over the nuclear tests.

In effect, the success of French attempts to lock Australian agricultural exporters out of European markets means that the Government of President Chirac has few direct economic weapons to wield against Australia.

If France does take retaliatory action most of those who suffer directly will almost certainly be a range of small exporters, in much the same way as, until the Dassault decision, most of the pain here had been felt by small businesses selling mainly French products.

The trouble is, the wave of outrage which has swept Australia hasn't been confined to inflicting economic costs. Instead there have been a range of violent, anti-French incidents with the latest being an apparent arson attack yesterday morning on a French bistro in Melbourne.

Commenting on this, the leader of the National Party Mr Fischer, rightly called on Australians to direct their anger at the French Government, not at anyone else. It's time, he said, that people stopped attacking French-Australians, the vast majority of whom were good citizens and opposed to the French presidential decision to resume nuclear testing.

Precisely. Yet most of our politicians, driven by their efforts to garner electoral support, continue to feed the



anti-French feeling. Senator Ray's action is a dramatic example of this.

In the same way, so as not to be outdone the Opposition's spokesman on foreign affairs, Mr Downer, not only quickly supported the decision but once again criticised what he described as the Government's "weak stand" in response to the original announcement of further French nuclear tests.

The fact is, while the Government's initial reaction was flawed, it was a much more measured and rational response than that which has subsequently been triggered by the desire to come into line with the far-from-rational outrage which has been shown by the Australian public over the past six weeks.

The risk is that, by taking an increasingly hard line, the Federal Government faces the possibility of making an enemy of the French for many years to come.

But then, this is no doubt a price the Prime Minister, Mr Keating, is prepared to pay — provided, that is, he wins the next election.

### New Zealand

#### Minister Cautiously Welcomes French Decision

*BK1108003895 Hong Kong AFP in English  
0017 GMT 11 Aug 95*

[FBIS Transcribed Text] Wellington, Aug 11 (AFP) — The New Zealand Government Friday cautiously welcomed reports that France will accept a total nuclear test ban in treaty negotiations next year.

Foreign Affairs Minister Don McKinnon said the indication of France's willingness to accept a zero-sum threshold making the Comprehensive Test Ban Treaty (CTBT) truly comprehensive was welcomed.

France's ambassador to the Geneva Disarmament Conference, Gerard Errera, said Paris would put up a proposal ensuring the CTBT "prohibit any nuclear weapon test explosion or any other nuclear explosion" including low-yield blasts.

France had earlier reserved the right to continue small-scale tests indefinitely.

Through a spokeswoman, McKinnon said the ambassador's statement was "welcome steps in the right direction".

"The French have also stated, however, that they want to be able to carry out activities to maintain stockpile safety and reliability and we've yet to see what this will involve.

"We await clarification of what this means."

#### Navy Not To Breach French Exclusion Zone

*BK1008033495 Hong Kong AFP in English  
0250 GMT 10 Aug 95*

[FBIS Transcribed Text] Auckland, Aug 10 (AFP) — The New Zealand navy ship about to sail for the French nuclear test site at Mururoa Atoll is under strict orders not to breach the 22-kilometres (12 mile) exclusion zone declared around the island, the ship captain Lieutenant Commander John Campbell said Thursday.

He said any anti-nuclear protest boat going into the zone would get no help from New Zealand.

New Zealand is to send the unarmed research ship HMNZS Tui to Mururoa to act as support vessel for the protest flotilla while it is on the high seas.

Tui sails from here Saturday.

"If a boat goes inside the 12-mile limit, particularly a New Zealand-registered boat from the New Zealand peace flotilla, I will wash my hands of them and they have been told that," Campbell said.

"They are naughty boys after that. They are law-breakers and I want nothing to do with them to jeopardize my Government role."

Campbell said that by international law, if protest boats were inside the limit and they had a problem, the French were the people who had to go to their rescue.

He said if he received a distress call from a New Zealand boat inside the exclusion zone he would not go to its aid but would alert the French authorities.

The French could then ask Tui to help and if that happened he would, but he said the French could also send one of their own patrol boats.

"It will be black or white what I can and cannot do, both with the peace flotilla and with the French units there.

"My role is to be totally neutral. I am not there to support Greenpeace, I am not there to support the peace flotilla and I am not there to help the French.

"I am there to support the Government initiatives towards their stance towards the nuclear testing in the Pacific and I am there in an absolutely emergency role to assist the peace flotilla."

Campbell said he could not say what he would do if there was a serious confrontation between the peace flotilla and the French navy.

"There are a whole role of scenarios that come out of that and I have to pick my way through, given my black and white instructions from my headquarters."



He said Tui could not be apprehended by the French unless it went inside the limit.

Tui was not the official communications ship for the peace fleet and other vessels had to rely on their own equipment.



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